



THE 40 MOST INFLUENTIAL
GAY MEN IN BRITAIN TODAY

GAY

AS MAJOR WEARS THE FIBRES
IN HIS CLOTHES

Calvin Klein interviewed
Section Two pages 6 and 7

2 for 1
Books Offer

or Token, page 9

Clarke to make landmark announcement in his Budget speech

First private hospitals for NHS

NICHOLAS TIMMINS
and DONALD MACINTYRE

The first scheme in which the private sector will design, finance, build and operate a hospital directly for the National Health Service is due to be announced by Kenneth Clarke, the Chancellor of the Exchequer, in tomorrow's Budget. The proposal would mean that Granada, more commonly associated with television and motorway service stations, would run a 150-bed section of a hospital.

Mr Clarke is expected to give the go-ahead to the £35m project to rebuild large parts of Wycombe and Amersham General Hospitals, part of the South Buckinghamshire NHS Trust. The privately-financed project has been put together by the Health Care Group—a consortium of the builders Taylor Woodrow, Granada which will run the building, and the finance house Nexus.

The scheme will be announced to off-set capital cuts in the Budget expected to hit not just NHS hospitals but the roads programme, housing, schools and other parts of central Government spending. The South Bucks development will be followed shortly by approval for a £26m 166-bed new paediatric wing at St James's University Hospital, in Leeds, planned to complete its redevelopment and a flagship £100m project to rebuild the whole of the Norfolk and Norwich NHS Trust. That will provide a 700-bed privately financed and run facility leased to the NHS on a green field site in the city. The private consortium will finance and run the buildings, but as with the other projects medical care will continue to be provided by directly employed NHS staff.

The projects are at the core of a big boost to the government's Private Finance Initiative across departments that Mr Clarke will unveil in a budget speech which Tory MPs are now

firmly hoping will provide the basis of a political recovery between now and the general election. In a tough spending round which has seen cuts of around five per cent in the costs of all spending departments ministers have been told that many pet capital projects will have to be privately financed if they are to go ahead.

In his Guildhall speech last week, Mr Major foreshadowed four privately financed trunk road projects and made it clear there were more in the pipeline. Ian Lang, President of the Board of Trade, said yesterday on BBC TV's "On the Record" that ministers were planning to

standard rate. MPs are also hoping that Mr Clarke's relative prudence will be rewarded by a favourable market reaction which will allow him to reduce interest rates before Christmas.

Mr Lang—echoing the private view of other senior ministers—said he had "no idea" whether the Chancellor would attempt to shoot Labour's fox by introducing a multi-billion pound windfall tax on the privatised utilities.

While Sir Marcus Fox, chairman of the influential 1922 committee, has suggested that such a tax might be a good idea, other Tory rightwingers are opposed to the idea—which Mr Lang claimed yesterday Gordon Brown, the shadow chancellor, "seems to have forgotten" is, by definition, a one-off tax.

Some other senior Tories are also still hoping that Mr Clarke will introduce specific tax proposals to help homeowners—whether by increasing mortgage interest relief for first time buyers or by cancelling stamp duty at least for a set period. But if he chooses to resist pressure he will have been given strong support yesterday by a Social Market Foundation pamphlet which says that lower prices and a stable housing market are part and parcel of a low-inflation economy.

Its authors Andrew Cooper and Roderick Nye argue that the number of people said to be suffering negative equity is consistently exaggerated.

The report says figures fail to account for people who move, those who make lump sum repayments and households with endowment policies, the surrender value of which may be greater than the loss in value on their property.

Meanwhile as part of the big boost to the private finance initiative, Stephen Dorrell, the Secretary of State for Health, expects around one scheme a month to go through over the next year.



Party affair: Kenneth Clarke in Nottingham at the weekend Photograph: David Jones/PA

Revealed: Murdoch's tax holiday

EXCLUSIVE
MATTHEW HORSMAN
and JEREMY WARNER

Rupert Murdoch's News International has paid virtually no tax in the past ten years, despite racking up net profits of nearly £1bn since 1986.

The publisher of four national titles, including the *Times* and the *Sun*, earned £779m in the year to the end of last June alone, but paid only £8.3m in tax.

In the ten years since 1986, NI has made accumulated pre-tax profits of £979.4m (net of losses) but paid just £11.74m in net tax, a rate of under 1.2 per cent. Corporation tax in the UK is set at 33 per cent, and most firms pay tax of between 20 and 30 per cent of their profits.

NI's main competitors in the national newspaper market all paid between 20 per cent and 29 per cent in tax on their 1994 earnings.

The extent of the tax avoidance—which accountants confirmed is completely legal—is revealed in an *Independent* investigation published today, and is bound to stir controversy on the eve of the Budget.

Behind this unprecedented tax holiday lies a chain of financial transactions of Byzantine complexity, sometimes involving letter-box companies in offshore tax havens. NI's published accounts contain a list of 28 subsidiaries, of which ten are labelled "finance" companies.

Profits and losses are moved around the group. The end result, together with the entirely normal use of past tax losses, is to reduce the parent company's tax liability to nil. NI is able to decide where to pay tax and when.

Labour's spokesman for City matters, Alastair Darling, said his party was looking at ways to reform the rules governing corporate taxation, particularly the use of group tax relief by large corporations.

At the Labour Party Conference, Gordon Brown, the shadow Chancellor, criticised companies which did not pay their fair share of tax.

Some of the company's tax avoidance can be explained by the entirely normal use of tax losses from previous years. The high costs of building up BSkyB, the company's satellite broadcaster, as well as the move of Mr Murdoch's titles to Wapping, created losses that can be applied to current and future profits.

But these tax losses do not fully explain the extent of the tax holiday NI enjoys.

According to accountants consulted by the *Independent*, some of the transactions listed in NI's many subsidiary accounts are directly related to



Murdoch: Only £8.3m in tax

tax minimisation. A burgeoning and lucrative industry has grown up around corporate tax avoidance.

Accountants stress that the use of tax minimisation techniques is not illegal. NI itself would not comment directly, but issued the following statement: "It is our policy not to comment on financial or tax matters outside the normal course of publishing the company's accounts. For the record, the company has complied fully with its obligations under all tax laws to which it is subject, including those of the UK."

Bruton makes 11th-hour peace proposals

DONALD MACINTYRE
and RUPERT CORNWELL

John Bruton, the Irish Prime Minister, yesterday launched an 11th-hour effort to revive the fading prospects of an Anglo-Irish summit before the arrival of President Bill Clinton this week.

Mr Bruton was said by official Irish government sources to have drafted in a new letter to John Major "fresh proposals" for a summit agreement which could pave the way to full all-party talks early next year.

The move came after a week-

end letter from Mr Major to the Taoiseach in the wake of intensive talks between officials of both governments which failed to secure the necessary agreement for a summit to go ahead. Both governments have been hoping to set up an international commission on arms decommissioning coupled with separate preliminary talks between the two governments and each of the Northern Ireland parties.

The fresh move was disclosed by Dublin last night after Dick Spring, the Irish Deputy Prime Minister, warned

against any assumption that President Bill Clinton's visit to London, Dublin and Northern Ireland would itself break the current impasse.

Mr Spring said: "There are different opinions held by the British and Irish governments and we have got to try to overcome these."

He said President Clinton's visit was "very important for the country, North and South. The US administration has been a great resource."

"I don't think President Clinton has any tricks up his sleeve."

He is not coming in that light, and it would be very unfair if either government expected him to offer the solution in the context of our present dilemma."

The main difference between the two sides is over London's insistence that Sinn Féin/IRA agree to hand over some weapons before all-party talks begin.

David Trimble, leader of the Ulster Unionists, recalled that President Clinton said some months ago that "decommissioning was the next step" and that he had assured the Union-

ists in Washington recently that he had been constantly impressing on Sinn Féin the need to make progress in this area.

Mr Trimble added: "We were hoping that his visit and the influence he would be exerting... would produce some movement from Sinn Féin, but unfortunately it doesn't appear to have done so yet."

He said the problem was that rather than showing any commitment towards peace, "Sinn Féin leaders are constantly threatening renewed violence". But Gerry Adams, president

of Sinn Féin, told Jonathan Dimbleby on London Weekend Television: "I do think it is inevitable unless we start talking, unless we start to consolidate the peace process... we will slip back into conflict."

Mr Clinton's aides are portraying the trip, which starts on Wednesday, less as opening a new chapter in the search for peace than as a "celebration" of the 15-month-old ceasefire in a part of the world where, as the President said in his regular Saturday radio address, "bombs and bullets have given way to hope".

IN BRIEF

Catholic challenge

Traditionalist Catholics will consider a Irish High Court challenge to the referendum which ended the country's ban on divorce. Page 2

BBC privatisation

Virginia Bottomley is set to announce a plan to privatise the BBC transmitter network along with publication of the Corporation's new Charter. Page 4

President Nelson

President Nelson Mandela of South Africa said that Nigeria's military ruler, General Sani Abacha, was "sitting on a volcano" and that he would explode it under him. Page 13

'Rave' minister speaks

Disgraced "rave" minister Chris Brain has admitted "improper sexual conduct with a number of women" in his first television interview. Page 5

Serb demand

Bosnian Serb leaders have demanded international protection for Serb-held parts of Sarajevo. Page 10

Mandela threat

President Nelson Mandela of South Africa said that Nigeria's military ruler, General Sani Abacha, was "sitting on a volcano" and that he would explode it under him. Page 13

Close encounters of the video kind

JOHN MCKIE

The traditional British night out may never be the same again. An evening in a nightclub followed by a fight in the street or sex in a shop doorway could now lead to an unsolicited starring film role.

The release today of a video *Caught in the Act* taken from closed-circuit television footage includes excerpts of a couple having sex in a doorway as well as men fighting and hotel staff in changing rooms. All were unaware they were being filmed.

But the content has prompted immediate calls from MPs

for a ban on its sale. It is the latest work from Barrie Goulding, the film-maker who made *Executions*, which showed 21 films of people being put to death. It led to such outrage that WH Smith and John Menzies banned it after politicians and police condemned it.

Tam Dalyell, Labour MP for Linlithgow, has written to the Home Secretary, Michael Howard, arguing that the use of CCTV for commercial gain leaves people "wide open" to blackmail. "I wrote to Mr. Howard after two of my constituents were being made fun of, through a video of them tak-

en in a store," he said. "It wasn't a big deal but there is a wider issue. The Government is powerless to do anything about this and legislation is needed to ensure that these cameras are used for security purposes only."

Mr Goulding said yesterday: "It's voyeuristic, I wouldn't deny that. It is a commercial film and I will make money from it. But there is a message—who watches the watcher?"

The Home Office last night admitted it could be powerless to prevent the film's release. A spokeswoman said: "We would condemn the use of irrespon-

sible video images but we have produced a code of conduct with every close-circuit camera. If that code is breached, we stop funding. But CCTV cuts crime and we don't want to make rules too vigorous." She added the issue may rest with the British Board of Film Classification.

The issue is also being taken up by the pressure group, Liberty, whose treasurer, John Lyons, said: "There is nothing wrong with having closed-circuit TV to protect people and to prevent or detect shoplifting and other crime, but people certainly do not expect to be spied on in this way or for the material to be sold as entertainment."

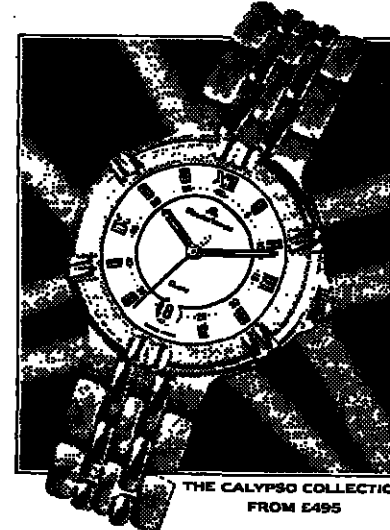
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SO
because it's good to know that some things remain the same you'll want to see fabled purveyors of the three chord trick, STATUS QUO, Manchester Apollo, 0161 273 3775.

OR
read 'Arnie and Jaggar' (Bloodsucker £16.99). A wartime account of a German who fell in love with a Jewess. They embarked on a passionate affair which was tragically ended by the Gestapo.

OR
discover what would happen if Shakespeare's King George VI met Signorina Maria. Johnson's COMEDY 'Historia' takes the premise and runs with it. Private law desks, Duke of York's London, 0171 838 5122.

OR
watch 'The Madness Of King George' on VIDEO. (Granada Home). A splendid adaptation by John Boorman, matching the original about Nigel Bruce's George VI.

OR
because mice have been scuttling inside for over after the recent cold spell check stored FRUIT regularly remove nibbled fruit before it rots and set traps. Perhaps it would be more ecologically correct to get a cat.

OR
take a nibble at the Big Apple. Sunworld Skybargains (0181 313 7919) are offering return FLIGHTS. Started to Newark for £199 on Thursdays, Fridays, Sundays until 10 December.

Teasing
Chancellor Kenneth Clarke unveils his Budget. Tory backbenchers see tax cuts as their best chance of electoral salvation and Mr Clarke is unlikely to disappoint. Teasing the faithful at last month's party conference, Mr Clarke leaped into Francis Urquhart-speak - there might be tax cuts, he couldn't possibly comment. MPs will debate the Budget proposals for five days. They will comment. At length.

Teasing
After gritting his teeth and dropping in on Downing Street, Bill Clinton follows JFK, Ronald Reagan and Perry Como in filming a promotional video in Ireland for his forthcoming gig, the US Presidential election campaign. Sadly, Bosnian defectors forced the cancellation of his R&R at Co Kerry's magnificent Ballyunion golf course beside the Atlantic. Washington insiders say a golf-crazy Clinton had already memorised the course handbook.

Pleasing
Newcastle gets the chance to see what the fuss is about their rugby team. Because of union's arcane - and soon to be redundant - transfer and registration rules, Rob Andrew's recruits - including England international Dean Ryan and Scotland's Gary Armstrong and Dottie Weir - have been prevented from playing for their new club. They make their first appearance, in a friendly against Transvaal.

TODAY
Cold snap
If the recent early dusk has enhanced your winter depression, spare a thought for the villagers of Utsjoki, Finland. This is the last time they will see the sun until February. Add to that their endurance of temperatures of -20C and Britain's average eight and a half hours of daylight and temperate climate seem almost tropical by comparison. Even Britain can't compare with Namibia whose temperatures, in excess of 33C should provide daylight enough for anyone.

Fashion statement
The swankiest trial in the world begins in Milan. Designers Armani, Versace and Ferré face charges of bribing tax officials, but will judge Antonio di Pietro be wearing one of the defendants' creations?

Per ardua ad-verts
Astronomical advertising costs becomes a reality with the launch of Sweden's Maus space rocket from Kiruna. The 1.3 ton rocket's flight will claim the first advert in space, not to mention \$1m, by bearing the logo of People Cellular Computers. Will astronauts of the future don multi-sponsored overalls in the Formula One tradition?

TOMORROW
Without art
The days when a good view and a paint brush were the basis of great art are long since over. With works that include Damien Hirst's dissected cattle and the internal examinations of Mona Hatoum, whose earlier work critic Brian Sewell described as "a shopping trolley contraption", the modern artist may list a diversity of skills from butcher to gynaecologist. The Turner Prize winner is chosen live on Channel 4's, 'Without Walls' (9pm). Bookmaker William Hill's latest odds are: Hirst 4-5, Hatoum 2-1 and Wellings 7-2.

Look, sees
The General Synod of the Church of England meets at Church House, Westminster until Friday. It will discuss a controversial report on the family and far-reaching plans to reform the administration of the Church. The General Synod is the only body outside Parliament which can make English law, though Parliament must approve its efforts.

Mighty Moyet
If you haven't heard her live you haven't heard Alison Moyet. Her powerful voice crosses musical boundaries and with her greatest hits album showcasing her talents this brief tour should be a force to be reckoned with. Bournemouth International Centre 01202 297297.

WEDNESDAY 29
Exit Reg
He may be The Best Soap Star ever, according to 'TV Times' readers, but, after six years, Reg Holdsworth bows out of 'Coronation Street'. Actor Ken Morley seems less keen to give up the limelight and commemorates his departure with 'Knowledge is Power' (Blake, £14.99). It's his 'wars, verrucas, bunions and all' autobiography.

Able and willing
Council officials in Huddersfield will be shadowed by disabled people who will report on what changes should be made to improve the facilities. All part of a week of events culminating in Sunday's International Day of the Disabled, sponsored by the United Nations. (Contact: 0171 834 0477) Events across the country including today's Positive Choices Conference in London, which aims to examine ways of improving care for disabled children and coincides with similar events in the Sudan, Barbados and even Chile.

Rod 'n' roll
Rod Stewart (Tues-Thurs, London Wembley Arena, 0181-900 1234). One size down from his Wembley Stadium shows earlier this year but still in the round, Rod promises to deliver "all the hits plus songs not performed in over two decades" in that distinctive growl which has made his Tom Waits cover versions so appropriate.

THURSDAY 30
'Chelle shock
Her days in 'EastEnders' playing Michelle - aka television's favourite single mother - are now behind her and actress Susan Tully is busy proving that there is life after soap. She opens in John Godber's 'The New Office Party' for Hull Truck Theatre. 01482 323638.

Take one
Sir Georg Solti conducts a story line up in an evening devoted to his countrymen, Bela Bartok, László Polgar and the marvellous Julia Varady sing his dramatic masterpieces 'Bluebeard's Castle' and 'Andras Schiff' plays the second piano concerto. Barbican, London, 0171 638 8891.

Après le déluge
The first cricket Test between South Africa and England, although a virtual washout, should have at least got rid of the recent English tradition of losing the first match of a series. Hostilities recommence in Johannesburg. Will Ray Lingsworth trust Devon Malcolm? Will Mark Ramprakash make it as a Test batsman? Will Michael Atherton (above) ever smile on a cricket field again?

FRIDAY 1
Woody wouldn't he?
Having decided that 'immortality' in my work doesn't interest me... I want immortality from not dying. Woody Allen is to be congratulated for his partial success in turning 60. Whether or not God grants him 'One clear sign, like putting millions in a Swiss bank account for me', might depend on the success of his latest film, 'Mighty Aphrodite', in which he directs co-star Helena Bonham Carter.

Siezeball
One of football's biggest scandals makes an action replay as Bruce Grobbelaar, makes yet another appearance in court on charges of alleged match-fixing along with the former Aston Villa striker John Fashanu and Wimbledon goalkeeper Hans Segers.

More ado from Ken
Kenneth Branagh moves to calmer pastures with 'In the Bleak Midwinter'. After the monstrous disappointment of 'Frankenstein' and the wisdom of 'Peter's Friends' this is a modest comedy about a group of anti-dram enthusiasts (including John Sessions, Joan Collins and Jennifer Saunders) staging a provincial 'Hamlet'. Much ado about a little.

THE WEEKEND 2/3
Plant higher
Be nice to your plants. BUY the Erbal, a plastic hanging plant holder. Four vertical containers alternate with plasma pumping bags for the water, providing a steady drip. Designed by Bortolani and Becchetti it is functional, fantastic and makes your plants cascade healthily. £49.95 from Viaduct, 1-10 Summer's Street, London EC1. 0171 278 8456.

Beatles for re-sale
Avid music fans will descend on Wembley Conference Centre (Saturday) for the London Rock and Pop Fair (Saturday 11 am, Sunday 10 am). Besides The Beatles' 'I Want You', cut only a week before the band's split and which could go for £10,000, will be a collection that includes every British single released since 1968, including Agadoo.

Dee-lights
The British Comedy Awards will be shown live on ITV (Saturday 9pm) from London's South Bank, with appearances from Billy Connolly and Jack Dee. Guaranteeing a few extra laughs, if only for his My Little Pony hairstyle, is host Jonathan Ross.

Getting fizzy
Opening salutes in the pre-Christmas high street champagne frenzy. Oodbins, Bottoms Up, Wine Cellar, Nicolas and Majestic all offer big savings. Tesco are slashing 27 per cent off a case of Charles Heidsieck, Victoria Wine 25 per cent off Lanson Brut Ros. Biggest price-cut to date is a swingeing 32 per cent off Bollinger 1988, decimated by £11 a bottle from £33.99 at Fuller's.

IN
The Independent this week: AZTEC CAMERA REINVENTED: Cut band of the Eighties is back. WEARING THE TROUSERS: The suit as fashionable as ever. TIMBERLAKE WERTENBAKER: New at the Royal Court this week. Julie Walters in Sister My Sister.

WIN
HarpersCollins audio books: TWO for the price of ONE. See Section Two, page 9 for token 2. TVR Griffith 500. See Page 12 for token 8.

Last week's loser Nicholas Soames MP who rallied to the defence of Charles after Diana's Oscar-winning performance by suggesting she was paranoid. If it goes on like this, the Queen of Hearts will have him beheaded

Edited by Richard Holledge • Fax 0171 293 2051

Research: Ben Summers, Lindsey Sheffield

Irish referendum: Wafer-thin majority leaves ministers open to attack by party angered at public funding for 'Yes' campaign

Catholics could challenge divorce decision

ALAN MURDOCH
Dublin

Traditionalist Catholic campaigners will today consider launching an Irish High Court challenge to the result of the referendum which ended the Republic's 58-year-old ban on divorce by a wafer-thin margin of 0.55 per cent.

Ben Kinsella, vice-president of the fringe party Muintir na hEireann (People of Ireland's Party) said it was taking legal advice on a court challenge, and

would discuss this possibility today with other groups strongly opposed to the introduction of civil divorce.

The party's objections to the result are based on the Government's use of public funds to support its "Yes" campaign. This was ruled unconstitutional 10 days ago by the Supreme Court.

The principal Anti-Divorce Campaign said it would consider a challenge, permitted up to seven days after polling, after formal publication of results

tomorrow. But the social welfare minister Pádraig Kirby insisted the Government had acted correctly given its understanding of the law when the spending was committed, a decision earlier approved by a vote of the Dail.

But some anti-divorce campaigners maintained Government pro-divorce literature was being delivered to households even after this had been blocked by the Supreme Court ruling.

A recount late on Saturday marginally increased the "Yes"

majority for limited no-fault divorce which was 9,114 votes out of 1.63 million. It represented a 15.01 per cent swing towards the "Yes" vote since the last divorce poll in 1986.

The referendum revealed a country split down the middle. The greater Dublin area, home to a third of the population, voted strongly in favour, narrowly cancelling out majorities against divorce in southern and western regions of Munster and Connaught-Ulster.

Anti-divorce majorities in

many rural areas were sharply lower than in 1986. In addition many urban working class areas, notably in Dublin and Cork, voted strongly for divorce for the first time.

In these areas declining Catholic Church influence and high rates of marital breakdown have been most obvious. National figures show births outside marriage have more than doubled in 10 years to just over 20 per cent.

The Government immediately recognised the implica-

tions of the division shown by the result. The law reform minister Mervyn Taylor said ministers would move to heal wounds exposed by a rancorous campaign: "I want to stress that this Government will support the family through mediation, counselling and welfare services and legal aid in every way possible."

Divorce itself will not become available in family law courts until next year. The specific terms approved by the referendum will be inserted in the constitu-

tion, a move devised to win all-party support for divorce.

Those seeking divorce must show they have been living apart for four of five preceding years, and demonstrate that existing "first family" dependents will be adequately provided for before a divorce may be granted.

For the Catholic Church the result means a substantial public rejection of its hitherto implacable opposition to divorce. The result may have been influenced by an apparently un-

sympathetic attitude. One senior bishop sparked public anger by warning that divorced and remarried people would not be entitled to receive the sacraments.

Government relief was undisguised at a victory which had seemed unlikely a week ago. Ministers had repeatedly warned a "No" vote would send unhelpful signals to Ulster Unionists by implying an unwillingness to accommodate minorities at a highly sensitive moment in the peace process.

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Private cash lined up for further 25 new hospitals

There are now 25 potential deals each worth more than £25m under consideration for new hospitals as part of the Government's Private Finance Initiative.

The Chancellor's expected announcement tomorrow of the first scheme could start the process which will lead to the private sector building hospitals worth approaching £1bn which it will lease back to the NHS.

The Leeds deal, struck with Medipark, a consortium whose members include Charterhouse Bank and the builders, Laing, will include an 80-bed patient "hotel" of which 35 beds will initially be run as a private patient unit. Medipark will pay St James's (known as Jimmy's) a royalty on the turnover.

Stephen Dorrell, the Secretary of State for Health, expects around one scheme a month to go through over the next year. The South Bucks scheme includes replacing Second World War hatted wards at Amersham General Hospital, a scheme

The deal at Jimmy's is likely to begin a £2bn NHS revolution, writes Nicholas Timmins

first promised by Enoch Powell when he was Minister of Health in 1963.

Mr Dorrell is expected to use that to back his claim that the private finance initiative means new NHS hospitals will no longer have to wait in the queue for public sector capital.

Other projects nearing fruition include a £26m redevelopment at Bishop Auckland, Durham, a £50m rebuild at Swindon and Marlborough and a £45 project in Carlisle. Further down the line are massive private sector projects aimed at London, including the redevelopment of the Royal London following the closure of Barts.

Mr Dorrell said last week that the "overwhelming majority" of cases, NHS trusts will continue to be the direct employ-

er of clinical staff - a claim aimed at heading off Labour charges that the schemes will lead to NHS privatisation.

Labour will, however, find the schemes impossible to cancel, according to Kingsley Manning, managing director of Newchurch, a consultancy which holds a database on the schemes. Projects worth around £2bn could be in the pipeline by the general election. "If Labour does cancel them, it will either have to find £2bn of capital from taxation to replace them, or it will have to tell 40 or so local communities that they are not going to get the new hospital."

Some critics of the initiative, however, say it could lead to a public spending crisis. Nicholas Bosanquet, Professor of Health Policy at Imperial College, London, said growing use of commercial capital is creating a new breed of "private sector rent-seekers" which will drive up public spending to make returns on the capital they have invested.



Military gasbag: A 40ft inflatable soldier in a Christmas parade in London yesterday
Photograph: Philip Meech

Murder suspect chokes to death in cell

A woman who is alleged to have killed her husband after discovering that he was having an affair has been found dead in her prison cell.

Claire Bosley, 34, who appears to have choked herself by forcing tissues down her throat, died at Holloway prison, north London, hours after appearing in court charged with the murder of her husband, Barry.

Mrs Bosley, a secretary, was arrested on Thursday at her parents' home in Thatcham, Berk-

shire, after the body of her 42-year-old husband was found stabbed to death at their home in Tadley, Hampshire.

Last night, the couple's eight-year-old son, Thomas, was being comforted by relatives.

A police source revealed that Mrs Bosley was furious after finding out that her husband - who had survived two kidney transplant seven years ago - had been having an affair. She appeared before Alder-

shot magistrates on Saturday charged with murder and was due to appear again before Basingstoke magistrates on 4 December. But later in the day she was found dead in her cell.

A spokesman for Hampshire police said: "We are not seeking anyone else in connection with Mr Bosley's murder."

A spokesman for Scotland Yard said a post-mortem examination on Mrs Bosley's body would take place at City of London mortuary today.

Neighbour of the couple in

Tadley expressed concern for the future of Thomas. Pearl Loosen, 49, said: "I'm devastated for the little lad. At his age you know exactly what is happening and he may never come to terms with it."

A friend of the family, who did not wish to be named, said: "The little boy will never get over this." While a neighbour, who wished to remain anonymous, said: "You feel so sorry for the little boy. How is the poor little lad going to face his friends at

school? My heart goes out to him and to the grandparents. This is such a shock and so sad."

Prayers were offered for Mr Bosley at the local parish church, St Paul's, yesterday - before news of his wife's death emerged.

The Rev Martin Nockels said: "We remembered the family and the staff and pupils at Bishopswood Junior School which the boy attends. The whole community is saddened by this tragedy."

Television confession: Priest who built up cult following with 'rave' style service admits to numerous liaisons

Disgraced vicar quits over sex scandal

JOHN MCKIE

Disgraced church minister Chris Brain last night admitted "improper sexual conduct with a number of women" and revealed he had resigned as a Church of England priest.

Three months ago the former Anglican vicar, who led a "rave-style" Nine O'Clock Service in Sheffield, was accused of a sex scandal involving women in his congregation.

On last night's BBC1 *Everyman* programme, Mr Brain and female NOS members gave their first interviews about the controversial Sunday services, which bred a band of mainly young devotees.

In the programme, Mr Brain offered to resign as a priest, a decision he confirmed with a letter to the diocese of Sheffield on Saturday.

Mr Brain said: "For a priest in a church setting, I would have to say that I was involved in improper sexual conduct. I did get gratification. The gratification I was after was not sexual, although there was sexual gratification. I would not use somebody. It was in the area of just closeness and affection and friendship."

Mr Brain conceded that the sexual activity had developed "after a long period of developing a close relationship with that person."

One such woman said last night that Mr Brain told her that "he would teach me to discover my potential as a woman. It escalated from something I found acceptable to something I find unbelievable now. It has cost me dearly. I feel in some way he owned my body and I was his to do what he wanted with, and that disgusts me."

One of the female NOS leaders said of Mr Brain: "He would regularly talk about how we were discovering a post-modern

definition of sexuality in the Church. Again, it's language, language covering up the fact of what was really going on - one bloke getting his rocks off with about 40 women."

"Abuse - religious, sexual, psychological abuse had gone on in the Nine O'Clock Service for years," she said.

It was not just Mr Brain who was under attack yesterday. One woman on the documentary claimed that she had complained to the Bishop of Sheffield in November 1992.

Roy Arnold, spokesman for the diocese, dismissed this allegation last night. "Her complaints were of a general nature. As soon as we heard serious complaints in the summer of this year, we investigated them straightaway and blew the whistle on Mr Brain."

The Church was also criticised on BBC Radio Four's *Sunday* programme by Mr Brain's lawyer, Stewart Lale, for abandoning his client. "I think he feels totally unsupported in any way, shape or form by the Church," he said.

Mr Arnold defended the Church. "We have been too busy dealing with the victims," he said. "And there are more obvious victims than Chris Brain."

The Church also criticised the BBC for overstating its problems. The Rt Rev David Lunn, Bishop of Sheffield, said: "I still find it difficult to understand why the BBC and the media in general have managed to convince themselves that the problems of a single congregation in a single diocese have represented a management crisis of mega-proportions for the Church of England."

John Drury, the BBC's head of factual programmes (religious), said: "There are clergy interviewed in the programme who share our view that this is a matter of serious concern."



Time's up: Chris Brain, who admitted having sex with women members of his Nine O'Clock Service congregation

Photograph: Jon Jones/Sygnia

'All heaven and hell were let loose'

The Nine O'Clock Service was conceived in an outbreak of screaming and fainting under the stage at an evangelical meeting in Sheffield in 1985. The star of the meeting was the American John Wimber, once a drummer with the Righteous Brothers, now a successful evangelist whose church, the Vineyard Fellowship, has since been responsible for the "Toronto Blessing", which causes people to crawl around church floors barking or giggling uncontrollably.

Canon Robert Warren, now the Church of England's officer for evangelism, but then vicar

of St Thomas's, Crookes, South Yorkshire, where the Nine O'Clock Service started, described what happened in a book published before the scandal broke. "I found myself in the midst of a group of black-clad young people. A young Vineyard pastor from inner-city Chicago... asked the Holy Spirit to come; and he came in incredible power. When the Spirit came, all heaven, and yes, all hell, were let loose. Some were screaming in emotional release, at least one demonised person was set free, others were weeping for the pain of the city, and prophesying through their tears.

Many were being knocked to the floor under the power of the Spirit. Bodies were falling all around me."

"In one of those rare moments that I know God has spoken to me, the thought 'God wants to add one or two hundred young people like this to the church in the near future' was in my head without my having put it there," Canon Warren wrote.

He also says he felt so ill-at-ease outside the churchy world that even entering a betting shop had rendered him almost speechless with embarrassment. The young people then were

part of a community around the rock band that Chris Brain managed. "They too were going through a time of spiritual darkness and distance from God; and a time of leadership struggle." Relations with the rest of the congregation were fraught. But following the Wimber revival meetings "the change in them was evident, and they seemed to move into the new realm of God's action with greater ease and speed than the rest of us... God dealt quickly with my fears and suspicions of them as a group and gave me confidence to trust that he was at work in them. Barriers fell

away within days, though we had no idea what would be opened up as a result. We were very soon to find out."

The group was invited to arrange services in St Thomas's at 9pm, hence the name. Only when Mr Brain adopted the "Creation Theology" of the American former Dominican, Matthew Fox, did the abuse begin, according to evangelical observers. However, the diocesan investigators unravelling the scandal have discovered that Mr Brain had been abusing his followers even earlier, when God told Canon Warren that this was the future of the church.

IN BRIEF

Epidemic fear as flu cases surge

A spate of flu cases has fuelled fears that Britain may be on the brink of a Christmas epidemic, it was revealed yesterday.

Doctors in central England have reported two and a half times the number of expected cases. Figures from 92 national "spotter practices" suggest 50,000 new cases last week.

The Royal College of General Practitioners says the outbreak has hit 90 per 100,000 population, up 30 on the week before. Similar figures this week will confirm an epidemic.

Post strike ends

Postal workers across Scotland returned to work to start clearing a backlog of 12 million items of mail after accepting a review of delivery services following a week long strike over threats to end a second post.

Briton murdered

The partly-clothed body of a murdered woman found in a ravine near Estepona, Spain, was identified as Susan Kendrick, 32, a musician from Oxfordshire who went missing in April after living for a year on the Costa del Sol.

Toxic leak alert

Ammonia leaking from a cooling system at Inverness Ice Centre was blamed for 21 children and three adults needing treatment for the effects of toxic fumes after suffering breathing problems during a junior hockey match.

Lucky three

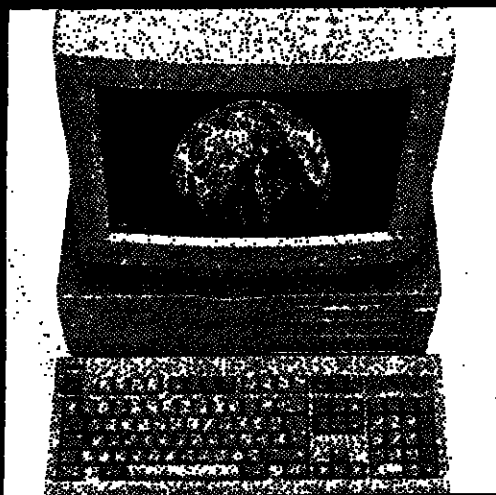
Three winners scooped £3.3m in Saturday's National Lottery draw. The winning numbers were 16, 23, 28, 30, 42 and 46 with the bonus ball 45.

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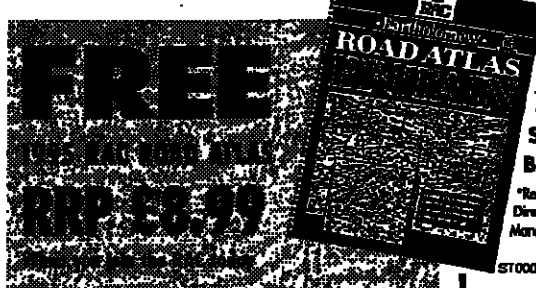
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Common Agricultural Policy: Reform of EU market rules has allowed UK wheat-growers to strike it rich at taxpayers' expense



Years of plenty: EU cash payments and the buoyancy of the market have put farmers like Oliver Walston in clover

Photograph: Keith Dobney

NICHOLAS SCHOON
Environment Correspondent

While the housing market remains moribund, farmland prices have risen by 20 per cent or more in the past year.

Rental payments for agricultural land have doubled under new tenancy laws, which the Government has just implemented, says the Royal Institution of Chartered Surveyors.

Meanwhile, many British farmers – and the majority of cereal growers – have seen their incomes soar over the past three years as agriculture has boomed following more than a decade of painful decline.

Cereal farmers hit jackpot in land price boom

When the Ministry of Agriculture's latest income statistics are published in January they are expected to show another handsome increase of several times the rate of inflation.

Few are boasting of their good fortune. One who does is Oliver Walston, who has condemned the huge taxpayer and consumer support for Europe's farmers under the Common Agricultural Policy. Other farmers have sent him hate mail.

"It's a crazy system," he said this weekend. "The cheque I will soon receive just for having planted the crop will be 25 per cent bigger this year, while the wheat I sell is fetching a 20 per cent higher price. Whoopee – I've hit the jackpot."

Mr Walston is at pains to point out that not all farmers are enjoying such prosperity. Hill farmers and the pig and poultry sectors have suffered of late.

The CAP was reformed three years ago to bring Europe's cereal prices, grossly inflated by tariff barriers and guaranteed minimum prices, in line with world prices. The guaranteed floor price is being steadily cut over a six-year period, but to cushion the blow farmers are paid a fixed yearly sum for each acre – irrespective of how much they produce.

There is one condition attached to this largesse: Eu-

rope's medium to large farmers (which covers virtually all of Britain's) have to take some of their arable land out of production in order to curb the notorious crop surpluses. Initially this was 15 per cent, but it has been cut to 10 per cent. But since this great reform, world grain prices have risen dramatically and now stand at around £130 a tonne.

Meanwhile, Europe's farmers continue to receive their fixed acreage payments while winning a higher and higher price for their harvests. Britain's have fared particularly well because of the big devaluation of the pound which accompanied Britain's exit from the European Exchange Rate Mechanism.

Mr Walston's view, shared by the Ministry of Agriculture and environmental groups, is that farmers should sell their crops at prevailing world market prices while compensation payments should end.

Instead, support from taxpayers should be strictly linked to farmers doing things that society wants – looking after and improving the rural environment or encouraging wildlife.

The National Farmers' Union agrees that UK farming has become much more profitable but adds that in a highly cyclical business, the present good fortune is unlikely to last.

British diplomat shot in Kenya

A British diplomat in Kenya was shot and wounded during a high-speed car chase as he tried to escape a gang of car thieves.

A spokeswoman for the British High Commission in Kenya confirmed that Graeme Gibson, 43, who is Second Secretary (Commercial), had been seriously wounded in a shooting incident.

According to reports, Mr Gibson was attacked on the outskirts of the capital, Nairobi, as he drove home in his Land Rover Discovery at about 8.30pm on Friday night.

A gang in a stolen Peugeot car tried to run him off the road but after a long high-speed chase they shot him several times, said the *Sunday Nation* newspaper.

Mr Gibson was wounded in the neck and lost control of his car which crashed into a gate. He was taken to The Nairobi Hospital's intensive care unit. The gang made their getaway after hijacking another car, said police.

Mr Gibson, 43, has worked in Nairobi in the Commission's commercial department since November, promoting trading links with Britain.

He joined the Foreign Office

in 1971 and has also served in several other African and European countries. He became a second secretary, a middle-ranking diplomatic position, in 1990.

The shooting was the second assault on a diplomat in Kenya's capital this month. India's ambassador and his wife were hospitalised with serious injuries early this month after they were attacked at their home in the exclusive Muthaiga suburb, where most diplomats and wealthy businessmen live.

Kenya's Foreign Minister, Kalonzo Musyoka, said last week that the government planned to provide police protection to the homes of diplomats, but gave no details.

Simon Hemans, British High Commissioner, said Mr Gibson, who was driving home from a commercial reception, took a circuitous route to see whether he was really being followed.

"They suddenly overtook him, pulled in front of him, one man leapt out and fired straight at him. Then the car sped off, and he was left wounded in his car," he told Independent Radio News. Discovery cars were a popular target of armed hijackers at the moment, he said.

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DAILY POEM

Liverpool Echo

By Carol Ann Duffy

*Pat Hodges kissed you once, although quite shy,
in sixty-two. Small crowds in Matthew Street
endure rain for the echo of a beat,
as if nostalgia means you did not die.*

*Inside phone-booths loveless ladies cry
on Merseyside. Their faces show defeat.
An ancient jukebox blares out Ain't She Sweet
in Liverpool, which cannot say goodbye.*

*Here everybody has an anecdote
of how they met you, were the best of mates.
The seagulls circle round a ferry-boat*

*out on the river, where it's getting late.
Like litter on the water, people float
outside the Cavern in the rain. And wait.*

"You have to be a real sour square not to love the nutty, noisy, handsome Beatles", opined the *Daily Mirror* in November 1963. It's just one of the raves, reflections and reveries that makes up Phil Bowen anthology of Beatles poetry. *Things We Said Today* published this month by Stride Publications. Fifty poets, including Philip Larkin ("Sexual intercourse began... Between the end of the Chatterley ban/And the Beatles' first LP"), Roger McGough, Adrian Mitchell, Wendy Cope, Lachlan MacInnon, Stuart Sutcliffe and Carol Ann Duffy prove that they were there, or thereabouts, when it all happened.

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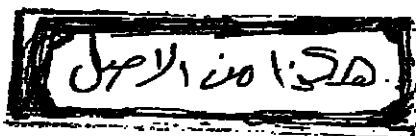
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Helio petal: Orchids at the Royal Horticultural Society Garden at Wisley, Surrey, that form part of its 'Orchids For All' display. The garden features 300 flowers flown specially from Singapore. Photograph: Philip Meech

Checking the books: Report outlines escalating costs of project

British Library 'will be 10 years overdue'

CHRIS BLACKHURST
Westminster correspondent

One of Britain's landmark public building projects is 10 years behind schedule and will cost almost three times more than original official estimates, it emerged yesterday.

Attempts by the Government to douse the long-running row over the new British Library, next to London's St Pancras station, seem certain to fail with the publication early next year of a study by the National Audit Office (NAO), the public finance watchdog, into continuing delays and cost overruns.

Already castigated by the Commons National Heritage Select Committee for its ugly design and by the Prince of

Wales, who describes it as "a dim collection of sheds groping for some symbolic significance", the controversy over the library will continue with the release of the NAO study.

A draft of the Audit Office's findings is understood to have been sent to Virginia Bottomley, the Secretary of State for National Heritage, and her officials, for their views. The final NAO report will only be published with their agreement.

Last year an investigation by the Independent revealed a catalogue of construction errors and design faults at the nine-acre complex. Some of the mistakes were so bad that suspicions of fraud and deliberate sabotage were raised.

An inquiry by the National Heritage Select Committee

heard allegations that the Government had not done enough to bring the project under control. The NAO is expected to confirm the final bill for the library will top £500m - nearly three times more than was initially envisaged.

The building, with five reading rooms, auditorium, an area set aside for studying rare books, and basement storage for 12 million volumes, will not be ready until the end of this decade, compared with an original completion date of 1989.

Embarrassingly for the Government and the builders, it will not be fully finished in time for the formal opening by the Queen in 1997.

Of continuing concern to the NAO is the way the project has been managed. Contractors

have not been made subject to severe time penalties. At the same time, specifications for some jobs have been so poor and the work has been carried out so badly they have needed immediate replacing.

Designed to house 18 million books and provide space for more than 1,000 academic readers, the library has been dogged with problems, most of which have been caused by the desire to install modern technology and equipment. In 1991 moveable shelves jammed. They cost millions of pounds to replace.

The air conditioning system has had to be modified and thousands of miles of defective wiring had to be ripped out and replaced. A ceiling has also been taken down and rebuilt after it was found to be too low.

'Pub philosopher' on hunger strike over Plato clash

JAMES CUSICK and
JEFFREY GETTLEMAN

Down the pub in Oxford, the town of dreaming spires, dons and punts, the usual inebriate debates over who is the greatest philosopher ever - Cantona or Best - have been displaced by talk of Greek philosophy.

The *Phaedrus*, sounding like a weapon from *Star Trek*, but in fact one of Plato's philosophical dialogues, has provoked the former Czech dissident and unofficial pub philosopher, Julius Tomin, to go on hunger strike.

Mr Tomin, famous in the late Eighties for delivering a series of lectures on philosophy in a pub in Swindon, has resorted to a hunger protest over the university authority's failure to recognise his genius.

While still a fashionable pettifog in the former Czechoslovakia, Oxford thinkers beat a path to his flat in Prague. Sir An-

thony Kenny, the former master of Balliol, was detained by the Czech authorities for participating in one of the cerebral at-homes organised by Tomin, who holds a doctorate in philosophy from Charles University, Prague. But Tomin is no longer courted by the Oxbridge establishment.

Resting his beloved tattered copy of the *Republic* on his lap, Mr Tomin drank a glass of salted water and proclaimed: "This is definitely the cheapest way to build self-discipline." The hunger strike is scheduled for seven days, and is to be repeated if necessary. The protest centres on the Czech's analysis that the *Phaedrus* is not - as Oxford have taught for the last 200 years - a later work of the Greek thinker but is in fact one of his earliest works. "The university are scared to let me present my analysis," he said.

The accusation is rejected by Kathy Wilkes, a philosophy tutor at St Hilda's College, Oxford. She knows Mr Tomin from his secret seminar days in Prague and now believes the dissident misses the old days of state persecution. "He can't properly function here," she said.

Currently surviving on £51.08 social security, the unemployed dissident is determined to prolong his struggle. "Next year's strike is going to be even longer," he said. The things people will do to avoid making a decision over Best or Cantona.



Julius Tomin: Czech rebel

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Peace in Bosnia: Muslim family's horrific flight from fallen enclave shows why Dayton deal's promises can never be fulfilled



Lucky escape: Besir Johic, his son and two-year-old niece after they were reunited

Photograph: Kevin Weaver

Cold comfort for a Srebrenica survivor

EMMA DALY
Tuzla

Besir Johic is one of the very few Bosnian Muslims forced to flee the advancing rebel Serb army who has had the opportunity to re-visit the home to which, in theory, he can return under the Dayton peace deal. It was not a happy experience.

"The whole place had changed so much. I tried to find our two houses, and they just weren't there any more. There were shells and mines instead."

Mr Johic is also one of the newest refugees in Tuzla: he crossed the front line 10 days ago with seven comrades, including his brother Omer, after four months spent in enemy territory following the exodus from the fallen enclave of

Srebrenica in July. Yesterday he saw his 13-year-old son, Asmir, for the first time in three years, and his mother for the first time since he fled the Serb assault on Srebrenica.

The Johic family lived in Cerska, a small town in eastern Bosnia that fell to the Serbs in January 1993. As has become the custom among Bosnians fleeing for their lives, the family split up: Mr Johic, his wife, mother and brothers walked south to Srebrenica, Asmir and other relatives slogged through the mountains north to Tuzla.

"The child was almost frozen because it was winter - my sister-in-law had to drag him along," Mr Johic said. The boy, slight and quiet, obviously inherited the genes that enabled his father to survive for 131 days

on apples, snails, mushrooms and nettles, hiding by day from the Serb patrols in Cerska, where the eight men found shelter in an abandoned mill, and foraging for food by night.

"I didn't believe I would ever see my son and mother again - it was so painful for me. My mother didn't cry, but I did," Mr Johic said. "But of course I was thrilled, it was super."

Beside him sat Mrs Johic, tiny and wrinkled, her head swathed in a scarf.

"I had three sons - one is dead," she said. "I was so happy, I didn't believe I would ever see my sons again. I was holding back my tears. I was strong, but inside I felt my heart would explode. My son Ragib died..."

The three brothers set off from Srebrenica together, joining a column striking out through mountains and forests for safety in government-held territory. It was shelled by Serb forces and shattered. Ragib was wounded. His brothers listened helplessly as he died at the Serbs' hands.

As Mr Johic recounted the horrifying tale of his long march, Ragib's widow sat at the back of the room, weeping silently over her baby daughter, Belma. A Srebrenica household is always filled with women: so few of their menfolk survived the Serb onslaught in July.

Aziza Hasic, a perfect grandmother, with apple cheeks and a jolly smile, has opened her house, in a small village near the front-line town of Gracanica, to the Johic family.

"Of course we are very happy [with the Dayton deal]. We have not left our houses during the war and we want to stay here," she said. "If the Johics can go home, they will. But if they can't, then they can stay here." But it is not so simple.

Old Mrs Johic has lived at a school in the village since her arrival from Srebrenica in July, and she wants a home of her own. It is an impossible request in Tuzla, where of the 700,000 people living in the region, 235,000 are refugees. There is no room.

But how is the family to return to Cerska, which is to stay under Serb control? "Never," said Refija, Mr Johic's wife. "They killed my son; I could never live there," added Mrs Johic. Her son, who screamed in pain as he snipped away the clothes that had rotted on to his skin during the three months he wore them, was more circumspect. "I would return to my

Karadzic threat

Pale (AP). — Bosnian Serb leaders demanded international protection for Serb-held parts of Sarajevo, saying failure to address their concerns could undermine the peace process.

Serbs demonstrated for the third day in parts of the capital they hold against the Dayton agreement, which foresees a unified Sarajevo under government control. Serb leaders grudgingly accepted the deal but face opposition from Sarajevo Serbs, who fear for their future if their districts revert to government control. "A new solution for Sarajevo must be found," Radovan Karadzic said after meeting representatives from the Serb-held districts. In the meantime, he said, Serbs would not withdraw their troops, as foreseen under the Dayton accord.

The US Assistant Secretary of State, Richard Holbrooke, chief negotiator at the peace talks, ruled out any changes to the plan, to be signed in Paris later this month.

house tomorrow - there is a lot of work to be done to repair it," he said. But could he live under Serb rule? I don't know. It would be very difficult, because not only my brother was killed. Many others were, too."

The return of refugees is vital if Bosnia is to survive in a meaningful way. But it is also unimaginable. Buildings can be restored but the Nato troops dispatched to enforce the peace cannot repair lives ripped apart by years of warfare.

Fears over Serbia's poison gas factories

CHRISTOPHER BELLAMY
Defence Correspondent

Serbia still has factories able to manufacture chemical weapons, including nerve gas - a potentially devastating threat to peace in the region, a television investigation has revealed.

Tonight's *World in Action* programme on ITV includes film of the nerve-gas plants which can make Sarin, a deadly nerve agent. A visit to an old chemical factory, now deserted, north of Mostar, in Bosnia, proved that the former Yugoslavia made Sarin, while interviews with former workers indicate the existence of factories in Serbia which can still make the agent.

Major David Craig, chemical weapons adviser to the British Force Commander in the Gulf war, Sir Peter de la Billière, travelled with the television team to the abandoned factory between Muslim and Serb lines north of Mostar. They took samples that were analysed by the Swedish National Defence Establishment, which confirmed that Sarin was made there.

Major Craig told *World in Action*: "What you have discovered is that Yugoslavia was producing weapons of mass destruction and that Serbia still has the capability to do so."

The programme also interviewed former workers in chemical factories and obtained Yugoslav army documents and manuals which detail Serbia's ability to fight a chemical war.

The Yugoslav chemical weapons programme was linked with Iraq on the development of the M-87 Orkan multiple rocket launcher, which was used by rebel Serbs in Croatia's Krajina region to fire rockets at Zagreb, the Croatian capital. A former Yugoslav president, Stipe Mesic, a Croat, described how he made a secret trip to the United States to brief the Pentagon on Yugoslavia's co-operation with Saddam Hussein. Although he was head of state, he had to keep his mission secret from the Yugoslav army, and used a private trip to Austria to board a US aircraft for Washington. Mr Mesic says a full dossier of documents on the Yugoslav chemical arsenal was handed over to the Pentagon.

CHILDREN OF WAR APPEAL

As Christmas approaches, the Independent is asking readers to support four charities working to help child victims of the wars in former Yugoslavia:

Save the Children is focusing its efforts on children who have been separated from their families, and on counselling and reuniting them;

The Red Cross is running the largest humanitarian operation in the region, looking after refugee camps and linking people through its famous messaging network;

War Child plans to build a £2.5m music-therapy centre in Mostar, and to send urgently needed prosthetics to wounded children in the Tuzla area;

Child Advocacy International aims to bring up to 100 sick children to Britain for treatment they could not obtain at home.

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Bonn heads for rough ride over EMU fines plan

SARAH HELM
Brussels.

Germany's latest attempt to lay down the law over how the single currency will operate, including a plan for heavy fines on countries which fail to obey the rules, is likely to meet a cool response when it is discussed for the first time by finance ministers today.

Bonn's idea for a "stability pact" between states is intended to protect the single currency from inflationary pressure after the launch, planned for January 1999. Most countries accept the idea of such a pact but some of them fear the rules being proposed may be too strict for them to keep. Were Britain to join the single currency and then fail Germany's stability-pact rules, for example, it could be fined about £1.5bn.

The issue is likely to dominate today's meeting in Brussels, which is supposed to take crucial decisions on single currency planning ahead of the Madrid summit next month. A dispute could raise new questions about whether the 1999 start date could be met.

The key element of the stability pact is a proposal to levy fines on countries which allow their budget deficits to exceed 3 per cent of gross domestic product. For every percentage point over the limit, a member would be fined 0.25 per cent of its GDP. The fine would be returned if the deficit fell to 3 per cent or below within two years. If the country failed to meet the target again, it would lose the money, which would be given to the EU budget.

Member states are trying to maintain solidarity over the single currency in the run up to the Madrid summit, but France and Ireland have already signalled doubts about some elements of the pact and Italy has been unenthusiastic. Germany is being privately criticised for pushing rules beyond those envisaged in the Maastricht treaty.

The European Commission has welcomed the principle of the pact, but has been pointedly silent about the proposed level of the fines, saying only that the penalties should be "appropriate", as envisaged under Maastricht. Some observers have speculated that Germany

is deliberately pressing for unacceptably tough conditions to delay monetary union, or torpedo it altogether.

It is more likely that Helmut Kohl, the German Chancellor, has calculated he must impose stringent rules on his partners to convince the German public that the single currency will be as strong as the mark. German public opinion has become increasingly nervous about the dangers of an unpredictable monetary union.

Several important questions have to be settled by finance ministers before the Madrid summit, including agreement on the timetable for the run-up to the 1999 launch, when exchange rates will be locked, and the schedule for introducing notes and coins three years later.

The issue they will not wish to talk about today is what to call the currency. Governments are committed to deciding a name in Madrid. In September, it seemed that it had been settled in favour of the "Euro", Germany having refused to accept the original idea of Ecu. However, an opinion poll last week showed German voters preferred the Ecu after all.



Restored grandeur: Crowds gather for the official opening of the newly repaired Palazzo Senatorio in Rome yesterday. Built in 1605 from designs by Michelangelo, its facade had been eroded by weather and pollution over the centuries. Photograph: Reuters

Kohl battles to curb mounting panic about loss of the mark

SARAH HELM

On the noticeboard of the Finance Ministry in Bonn the posters display a confident message: "The single currency; as strong as the mark." Inside, however, confidence that the single currency will indeed be as strong as the mark is ebbing away.

The German political elite is bracing itself for the real possibility that the 1999 launch date may have to be delayed. Fears that France will not be ready to continue to mount. Even if the target can be met, Germany is beginning to ask: "What about the day after?" Will the single currency sink under a flood of inflationary pressures?

Meanwhile, the insecurity of the German people about the loss of the mark shows little sign of abating. Germany is to launch a big publicity campaign in the new year to convince the public, but many fear it may be too little, too late.

Chancellor Helmut Kohl refuses to concede publicly that the 1999 start date can be postponed, for fear of reducing the momentum among other states. Delay would be a devastating blow to his faith in the absolute need for greater European integration. While the German people fear the loss of the mark, symbol of their post-war success, the Chancellor feels it must be subsumed in a single currency to prevent history repeating itself.

Monetary union: Campaign to woo public may be too late

He believes an ever-stronger mark would intimidate neighbouring states, causing them to unite against his country.

Although some in Germany claim that a delay would not be disastrous, and that economic monetary union (EMU) would be back on the table in a few years, most European leaders know that postponing the single currency would raise fundamental questions about the whole future of the union. The case for greater political integration would be undermined, and the prospect of enlarging Europe to include new member states would recede.

The gap between Germany's public rhetoric about meeting the 1999 target and the private assessments of German officials is startling. In a series of discussions with the Independent, senior German officials and analysts spoke frankly of their doubts. One senior official in Bonn put the chances of launching EMU in 1999 at "fifty-fifty". Another said a delay of two or three years should be considered. A third said there was "still a chance" the target could be achieved, but it was slim. Some believe Mr Kohl may be forced to ask for a postponement as early as the second

half of next year, when France's progress on meeting the economic tests can be gauged.

Jacques Chirac, the French President, has shown he is ready to take tough measures to bring down the budget deficit to meet the ceiling of 3 per cent of gross domestic product set for those wishing to join EMU. But as they watched last week's French strikes in protest against Mr Chirac's cuts, officials in Bonn had little faith Paris will succeed. "There is no leeway", one said. "It all depends on France. If France meets the test we will start. If it does not, it will not be worthwhile."

The German government hopes to reassure the public through proposals from Theo Waigel, the Finance Minister, for a "stability pact" to bind EMU member states to strict economic rules. But Bonn knows it cannot insure itself against political decisions taken by individual members in the future, or against the inflationary effect sudden borrowing in some countries could cause.

"We want precautions to prevent this. But of course there is no absolute guarantee that the single currency will be as strong as the mark," a senior finance official said.

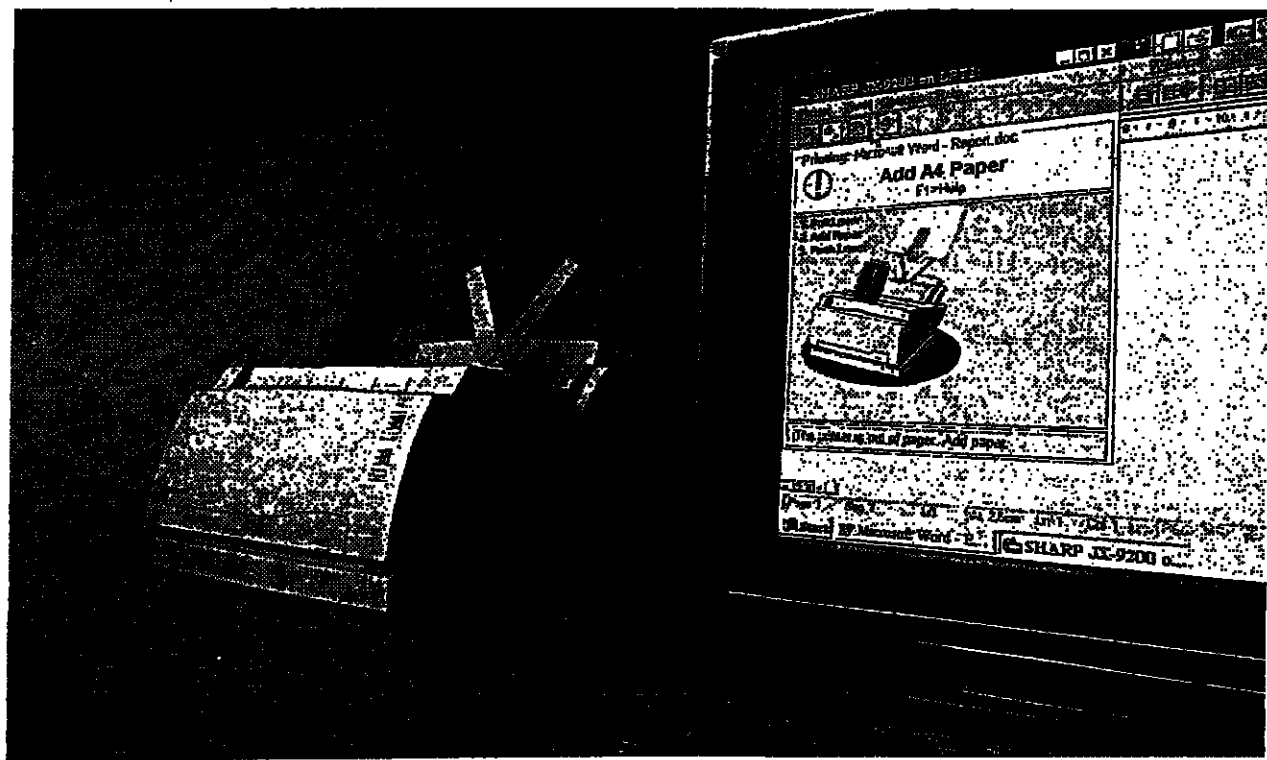
Mr Kohl had hoped that Europe would move towards a federal-style political union in parallel with monetary union, giving Germans more guarantees of European co-operation and stability. But progress on political union is logjammed. The German public, meanwhile, is calling for every guarantee that it can get.

Discussion about the single currency has suddenly burst onto the streets, revealing deep fears and confusion. People are asking what will happen to their savings and their pensions.

"They are very confused. They don't even have a name for the currency," Martin Suskind, of the newspaper, *Süddeutsche Zeitung*, said.

Some analysts believe Mr Kohl may have resisted launching a public debate sooner, precisely because he feared it might reveal a groundswell of Euro-scepticism in Germany. He is widely expected to stand again in Germany's elections in 1998, when he would like to campaign as the unifier of Europe. But if the voters are still against the single currency when the campaign starts, he may have to heed their fears.

"Kohl's nightmare is that circumstances develop where he has no power to convince his own people of the necessity of the single currency or the union," Mr Suskind said. "Then the experiment would be on the edge of failing."



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Princess finds a Welsh welcome in Patagonia

PHIL DAVISON
Gaiman, Argentina

It was like a little corner of Wales, a lush green oasis amidst the barren wastes of windswept Patagonia, and the harmonic strains of the Welsh national anthem drifted through the pines. There was no international rugby match, just a small but tuneful welcoming choir for the visiting Princess of Wales.

Some local Argentine officials sang along. Even a few homesick Welsh reporters and photographers mouthed the words. But the royal lips remained firmly shut.

"I don't think she speaks Welsh. I wonder if she's having it taught to William and Harry," Luned Roberts de Gonzalez, a local Welsh teacher and member of the choir, said with a mischievous twinkle in her eye. She could send them here to learn." Asked for her opinion of the Princess of Wales, the eyes twinkled again as she drew her fingers across her lips as though closing a zip.

On normal days, when there are no princesses around, Mrs Roberts's face is the best-known in Gaiman, a small town founded by hardy Welsh nationalists who fled cultural persecution 130 years ago. Her great-grandfather was the first to arrive on the Atlantic seaboard of Patagonia in 1863, in an advance party seeking a home as far as possible from the English usurpers.

It was the first settlement in Patagonia. There was nothing here but flat, dusty brushland, and the native Tehuelche Indians were initially hostile. Things



Celtic outpost: The Princess of Wales shaking hands with well-wishers when she visited the Welsh community in Gaiman at the weekend

Photograph: Daniel Muzio/AP

picked up after a woman, Rachel Jenkins, noticed a slight slope in the Chubut river, and the settlers dug irrigation canals that eventually turned the valley into the fertile strip it is today. The inhabitants are now shepherds, fruit and vegetable

farmers and, increasingly, professionals as other Argentines have ventured south to create a community of small businesses and industries.

The Welsh settlers are well and truly Argentines now, although they speak Spanish with

a lilting Welsh accent, and have hardly changed their attitude to the British monarchy. But they showed a fine blend of Welsh manners and dignity at the weekend as they gave the Princess of Wales a warm, if not quite gushing, welcome to their

little community more than 1,000 miles south of Buenos Aires and a little further from the Falkland Islands.

The only protest to greet the Princess was a silent one by a dozen women, not from the Welsh community, holding plac-

ards saying "The Malvinas [Falklands] are Argentine."

No one was quite sure why the Princess had come. They preferred to play down her title and pretend she was just another tourist. "At least she's putting us on the map," said 73-

year-old Orwig Griffiths, who joined Diana for tea and cakes in a typically Welsh tea house called Te Caerdydd. Well, at least for half a cup of tea and no cake. Although the Welsh tea houses are world-renowned for their variety of fresh cakes, and

she was offered a selection of 25, "she didn't touch a thing," said Claudia, the waitress who served her.

Mrs Roberts's elder sister, Tegai, runs a Welsh immigrant museum in what used to be the Gaiman railway station, where the Princess expressed particular interest on Sunday in 19th-century Welsh moustache cups. Mrs Roberts herself runs the little Camwy school, which has helped stage a revival of the Welsh language so that the cultural identity of the 1,000 or so descendants of the settlers does not evaporate.

Although they have kept their traditions — choirs, annual eisteddfods, their own churches and afternoon tea — only 200 people still speak Welsh in the town. With the help of Gwilym Roberts, a retired teacher from Cardiff who moved here to give free Welsh classes, many more have begun learning.

Pointing to their Welsh culture and Argentine nationality, Mrs Roberts said there could be a lesson for Falkland Islanders. "They were getting along quite well with Argentina before the conflict," she said. "Perhaps the life of the Welsh community here could serve as an example for a peaceful solution. Perhaps, if there's something going on behind the scenes, that's why the visit was organised."

The Princess of Wales yesterday visited the Casa de Vida (House of Life) in Buenos Aires, a centre which uses psychotherapy to treat drug addicts and encourages them to learn useful skills. She was due back in London early today.



No 43
Missing
Persons

Wojciech
Jaruzelski

History comes full circle for Walesa's old sparring partner

With the obvious exception of Aleksander Kwasniewski, there was probably nobody in Poland who enjoyed last week's presidential election more than General Wojciech Jaruzelski, the country's last Communist leader. Mr Kwasniewski was one of the bright young hopefuls whose first taste of power — as youth and sports minister — came during the latter years of Gen Jaruzelski's rule.

His dramatic success was made all the sweeter by the fact that the man he defeated in the election was Lech Walesa, the former leader of the Solidarity movement which toppled Communism in Poland and the man

who replaced Gen Jaruzelski as president in 1990.

It must have seemed as though history had come full circle. After humiliating defeats at the hands of Mr Walesa, the general had the satisfaction of seeing his old adversary getting his come-uppance.

And for all Mr Kwasniewski's claims to be a fully reformed Western-style social democrat, his victory marked the almost total rehabilitation of Poland's former Communists who, having won the largest number of seats in parliamentary elections in 1993, had now captured the presidency.

Gen Jaruzelski, who still

sports the dark glasses that made him such a distinctive Cold War leader, did not want to crow. "There is now a chance for real understanding," he told *Gazeta Wyborcza*. "But instead of triumphalism on one side and a feeling of defeat on the other, there must be a prevailing sense that democracy won."

Gen Jaruzelski giving lectures on democracy? Was this the man who devoted almost all his career to defending a system of one-party rule? Was this the man who was defence minister in 1970 when troops fired on food-price rioters, and who, 11 years later, imposed martial law to crush Solidarity?

It was a bit rich. For many Poles, it simply rubbed salt in what were already very sore wounds and intensified the feeling that the old guard, having never properly been made to pay for the past, was now back in the driving seat.

Certainly Gen Jaruzelski, now 71, has not yet been brought to book over his past. Since losing power, he has found himself the subject of numerous investigations concerning the 1970 killings, the imposition of martial law and the strange disappearance of thousands of Central Committee files. None of these investigations, however, has led to a

trial — and the chances of them ever doing so under a President Kwasniewski are considered small.

Apart from occasional appearances before investigating tribunals, Gen Jaruzelski has sought a low profile over the past five years, and spent much of his early retirement ensconced in his modest Warsaw villa writing his memoirs.

In his book, *Why Martial Law?*, he argued that in December 1981, in the grip of an economic crisis and a Solidarity-inspired strike wave, Poland was close to being invaded by the Soviet Union. His declaration of martial law, under which

thousands of Solidarity activists, including Mr Walesa, were imprisoned or placed under house arrest, was the "lesser of two evils", he argued. And although he regretted (and apologised for) the suffering and deaths caused, he insisted that it could have been much worse.

A lot of Gen Jaruzelski's countrymen agree with him. Rather than reviling him, many see him as something of a national hero. When *Why Martial Law?* was published in 1993, it quickly became a best-seller and the general's popularity ratings soared.

In addition to pre-empting a possible Soviet invasion in 1981,

many Poles also concede that, although he fought hard to maintain Communist Party rule, Gen Jaruzelski was able to recognise the end when it came. In early 1989, he went against his party to press for landmark round-table talks with Solidarity aimed at devising some form of power-sharing. In the partially free parliamentary elections of that year, Solidarity romped to victory, and within three months Poland had the first non-Communist government to be formed in Eastern Europe for over 40 years.

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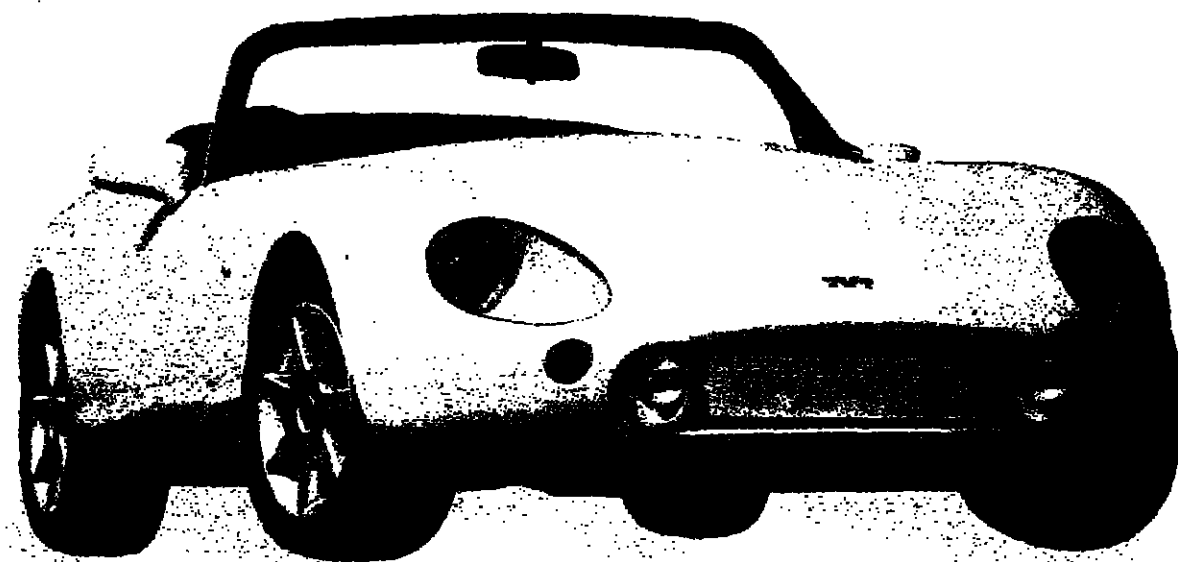
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TOKEN EIGHT

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Mandela guns for Nigerian dictator

ROBERT BLOCK
Johannesburg

The extent to which President Nelson Mandela has dedicated himself to bringing down Nigeria's military ruler, General Sani Abacha, was made clear yesterday in two short sentences. "Abacha is sitting on a volcano," the President told Johannesburg's *Sunday Independent*. "And I am going to explode it underneath him."

The interview, also broadcast on the BBC World Service, was the latest sign that Mr Mandela — stung by criticism that he did not act forcefully enough to have stopped Nigeria from executing Ken Saro-Wiwa and eight other minority-rights activists — was now going after Gen Abacha with guns blazing.

It represented a complete about-turn by Mr Mandela, who only a few weeks ago had urged the world not to push the Nigerian military regime into a corner.

Mr Mandela vowed that South Africa would press ahead with its campaign for "strong actions", including oil sanctions, against Nigeria to ensure that democracy was attained in "the shortest possible time".

"What we are now proposing are short and sharp measures which will produce the results Nigerians and the world desire. We are dealing with an illegitimate, barbaric, arrogant, military dictatorship which has murdered activists, using a kangaroo court and using false evidence," he told the newspaper.

At the same time, he rejected criticism by Nigerian opposition leaders and intellectuals that South Africa was to blame for Saro-Wiwa's death. Instead he criticised the Nigerian resistance for being weak and ineffectual, and said the outcome of his campaign to break Gen

Abacha ultimately depended on the Nigerians themselves. "It is of no use for Nigerian leaders to shout from abroad and not to ensure that the fires of resistance are burning inside of Nigeria," Mr Mandela said.

He drew direct parallels with the experience of his African National Congress (ANC) fight against successive apartheid governments. "We did not give in because international opinion would not have been mobilised if there was no vigorous and effective resistance movement inside the country. That is what is lacking in Nigeria, and Nigerian leaders that are blaming South Africa and its president are merely diverting attention from their weakness: from their failure to do what all democrats do — to ensure that there are prominent leaders inside the country who are prepared to face the music, and to challenge Abacha."

Mr Mandela also lashed out at the Shell petroleum company for its decision to go ahead with a \$4bn (£2.5bn) gas project in Nigeria, despite worldwide calls for the project to be shelved. He said he told Shell executives in Johannesburg last week that South Africa expected the company to suspend the project as a mark of protest.

"And when they hesitated to do so, I warned them that we are going to take action against them in this country, because we can't allow people to think in terms of their gains when the very lives of human beings are involved. That is the extent to which I have gone in this regard."

Mr Mandela has threatened to call for a boycott of Shell in South Africa. Following the meeting, Shell South Africa placed full-page advertisements in the South African press, defending its human-rights record in Nigeria.

Thousands turn out to cheer Burma's champion of democracy



Freedom wave: Burma's dissident leader, Aung San Suu Kyi, greets more than 2,000 supporters outside her house in Rangoon. Ms Suu Kyi last week criticised plans by the military regime to reconvene a convention aimed at drafting a new constitution. Most Burmese dissidents have dismissed it as a farce, as it will sit only at the will of the military

Photograph: Richard Vogel/AP

35 die as rebel jets bomb besieged Kabul

PETER GRESTE
Reuters

Kabul — Rebel jets bombed residential areas of Kabul yesterday, killing at least 35 people and wounding more than 140 in the heaviest air raid on the besieged Afghan capital in more than a year.

A Defence Ministry spokesman blamed the rebel Islamic Taliban militia, who are attempting to topple President

Burhanuddin Rabbani, for the attack. Nine bombs were dropped by SU-22 planes, none hitting a military target, he said. The ministry also accused neighbouring Pakistan of responsibility, saying it had "strong evidence" indicating Islamabad's technical and financial aid in repairing the SU-type jets Taliban seized from the western town of Herat in August. Pakistan rejected the charge, saying it had given

no such assistance. At least 12 people died when one bomb destroyed three homes and severely damaged four others in the western suburb of Wazirabad. Neighbours said the device was a 1,000lb parachute bomb that exploded in the air. A similar bomb killed seven people when it destroyed a three-storey mud-brick building in the central district of Qalae Fatullah. Dozens of rescuers dug frantically through the rubble but found only corpses, including the bodies of two infants.

"This is the most barbaric war," cried one neighbour as he watched the rescuers cover a two-year-old child dragged from the dust. "The Taliban are more cruel than Genghis Khan. Even the Russians were not as bad as these people," he said. Two smaller parachute bombs exploded above the Supreme Court compound in Qalae Za-

man Khan, east of the city, killing seven people.

The air raid followed two nights of heavy fighting between the Taliban and government forces. The Taliban is attacking Kabul on at least four fronts in a bid to capture the city and force Mr Rabbani from power. It has also imposed a fuel blockade on the capital in an apparent attempt to freeze the defenders into submission over the coming winter.

IN BRIEF

Rabbis questioned

Jerusalem — Two rabbis suspected of issuing a religious ruling before the assassination of Yitzhak Rabin that justified his killing are being interrogated, Israel radio reported. Police are investigating whether one or several right-wing rabbis issued a ruling under Jewish law that allows the killing of someone defined as a *rodef*, or pursuer, to prevent him causing the deaths of his victims. AP

Hostages 'will die'

New Delhi — Kashmiri separatist rebels holding four Westerners hostage, including Britons Keith Mangan and Paul Wells, reiterated a threat to kill the captives if the government continued to reject their demands. The threat was conveyed to a government negotiator in Kashmir who spoke by telephone to a guerrilla of the Al-Farhan group. AP

Rail peace hope

Paris — French state railways agreed to hold negotiations with unions a day early on the third day of a strike that all but choked off weekend train traffic. Only a quarter of trains were running on most lines, but some were halted entirely. AP

Back in the ring

Abidjan — Ivory Coast held its second multi-party general election, with opposition parties hoping to break the ruling Democratic Party's post-independence monopoly on power. The opposition parties were back in the ring after boycotting last month's presidential election, which the ruling-party leader, Henri Konan Bedie, won against a backdrop of clashes that killed 35 people. Reuters

No regrets

Santiago — Chile's former military ruler, General Augusto Pinochet, said he felt sorrow for Chileans killed under his regime, but would do nothing differently if history repeated itself. Celebrating his 80th birthday he said he was proud of averting a civil war when he overthrew President Salvador Allende in 1973. Reuters

Pay hikes at the top

Harare — Zimbabwe's President Robert Mugabe has fuelled public anger by awarding himself and his top officials hefty salary rises while cancelling Christmas bonuses for ordinary civil servants and urging the private sector to hold down pay increases. Reuters

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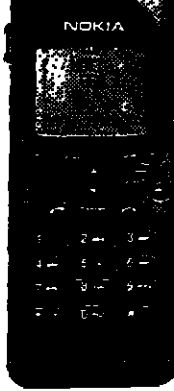


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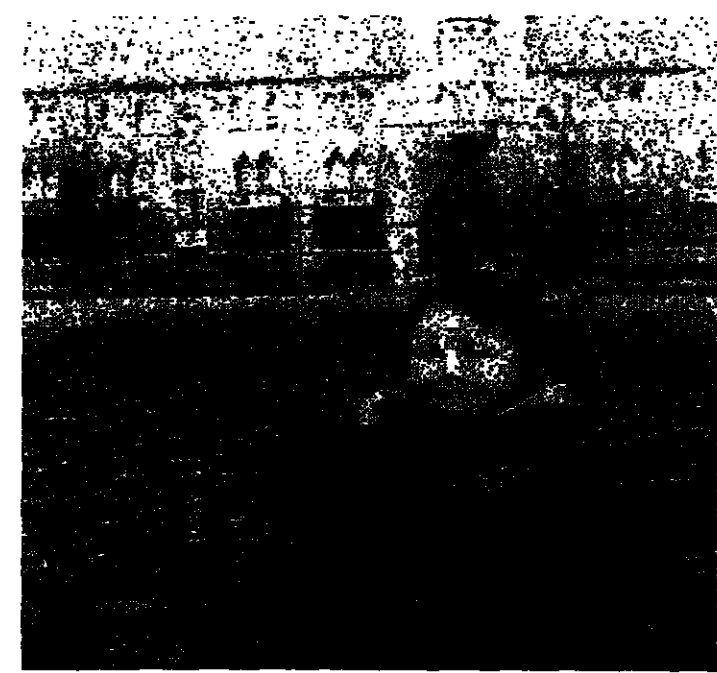
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Are you expecting the State to pay for your child's university education?

At present, the maximum grant for students going to university is £1,885 per year. According to Personal Finance magazine, this is still £2,000 short of what the average student needs. That leaves a shortfall of £5,000 over a three year course, even if the student gets a maximum grant — and grants are due to be cut by a further 10% in 1997. All of this puts more and more pressure on parents to finance their children's further education. In response, Midland has developed a

Children's Investment Plan, which you can use to generate a regular income for your child or to produce a lump sum. Essentially a unit trust-linked investment, it has several advantages. It not only has the potential to outperform a deposit account, but is also for more tax-efficient because it can take advantage of your child's £3,525 annual income tax allowance — a considerable benefit. Please note: your investment can go down as well as up and may fall below the amount originally invested.

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obituaries / gazette

Louis Malle

There is a unique paradox to the career of Louis Malle, in that the film-critical establishment is split almost evenly between those who believe him to have been underrated and those, no less categorical, who believe him to have been overrated.

For his admirers, the apparent absence of an instantly perceptible directorial personality in his work was a mark of the director's versatility rather than his anonymity, the sign of a healthy refusal to have his films circumscribed by an overly refined fetishisation of subject-matter. For his detractors, he was a director possessed of a sensibility but bereft of an identifiable style in which to enshrine it (unlike many current young Hollywood directors, who are positively brimming with style but deficient in sensibility).

For those of us who have never been entirely convinced by the claims of his champions, Malle was an undeniably intelligent artist, subtle and observant, and a superb technician (he was the most celebrated graduate of IDHEC, the prestigious if not notably prolific French film school), who made films that were stylish instead of in any individual style. And, given the partiality of film critics for the eponymous qualifier (Bressonian, Fordian, Renoir-que, and so on), it's not by chance, nor merely because his monosyllabic name scarcely offers promising material for the exercise, that no one has ever employed, about his own or anyone else's work, the adjective "Mallian" or "Malleque". Put bluntly, it would be meaningless.

Louis Malle was born, in 1932, in Thumeries, into one of France's most privileged industrialist families. He was educated at the Jesuit College in

Fontainebleau and at the Sorbonne (where he majored in political science), before studying film at IDHEC between 1951 and 1953. On graduating, he was chosen by the oceanographer Jacques-Yves Cousteau to be his technical assistant and effectively his cameraman on a series of extensive sea voyages, and he proved so indispensable to Cousteau that he ended up sharing with him the directorial credit on *Le Monde du silence* ("The Silent World", 1956), the most famous of all undersea documentaries. He also served his apprenticeship as an assistant to Robert Bresson on *Un Condamné à mort s'est échappé* ("A Man Escaped", 1956), then made his first solo feature, *Ascenseur pour l'échafaud* ("Lift to the Scaffold", 1958), a slick and glossy thriller released in 1958.

That was just one year before the *annus mirabilis* of the New Wave, 1959, the year of Truffaut's *Les 400 Coups*, Godard's *A bout de souffle* and Resnais's *Hiroshima mon amour*, and *Ascenseur pour l'échafaud* has of-

ten been cited as an influence on the movement. The question, however, is arguably one of precedence, not influence. Malle got there first. Yet, notwithstanding its fresh and free-wheeling location photography, its modish Miles Davis score and the New Wave presence of Jeanne Moreau, the basically conventional *Ascenseur* is as fatally caught between two very different "floors" of French film-making as its murderous protagonist is trapped in a stalled elevator.

This was to be, throughout his long career, the fundamental problem with Malle. Though he frequently tackled controversial subjects — explicit sexuality in *Les Amants* ("The Lovers", 1958), the film which made his name, suicide in *Le Feu Follet* ("The Fire Within", 1963), revolutionary politics in *Viva Maria!* (1965), teaming Moreau with Brigitte Bardot, anarchism in *Le Voleur* ("The Thief", 1967), with Jean-Paul Belmondo, incest in *Le Souffle au cœur* ("Murmur of the Heart", 1971), wartime collab-

oration in *Lacombe, Lucien* (1974), child prostitution in *Pretty Baby* (1978, his first American movie), the Holocaust in *Au revoir les enfants* (1987), the 1968 riots in *Milou en mai* (1990) and middle-class adultery in *Damage* (1992) — the potential for scandal was invariably defused by his precautionary classicism, his knack for knowing, in Cocteau's expression, just how far to go too far, his dainty little three-step-forward-two-steps-back minuet around the most shocking implications of his themes.

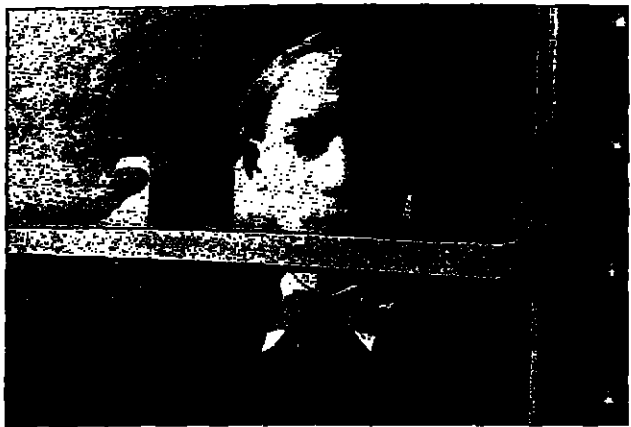
Thus Bardot and Moreau are revolutionaries in *Viva Maria!* — but, given that the movie is as close to being a cartoon as is conceivable without actually being drawn, not really. Belmondo is an anarchist in *Le Voleur* — but not entirely. The adolescent hero of *Le Souffle au cœur* may indeed sleep with his mother — but it's all giggled off in a closing tableau as though, in a family as heroically dysfunctional as that portrayed in the movie, incest were a peccadillo on the same level as belching at the dinner table. (Oedipus Schmoedipus — so long as you love your mother!) Lucien Lacombe is a collaborator — but he could just as easily, as unreflectively, have been a resister. The prepubescent Brooke Shields is a whore in *Pretty Baby* — then again, she somehow also contrives to remain just an innocent little girl. The *événements* of May 1968 form merely an off-screen rumble in *Milou en mai*. And, with his script for *Damage* (based on Josephine Hart's best-selling novel), David Hare shows himself to be, as an analyst of marital infidelity, a direct successor to Sardou and Henry Arthur Jones.

Fair's fair, though. There are incidental pleasures to be savoured in nearly all of these films and Malle had his share of real and durable triumphs. *Zazie dans le Métro* (1960) is an uncanny visualisation of Queneau's (on paper) unfilmable novel, whose success can be measured by the fact that it does not send one back to the book. *Lacombe, Lucien* and *Au revoir les enfants* are still the two finest (fictional) films about the Occupation. *Black Moon* (1975) is a weird and wonderful Carrollian fantasy, which, if Malle's personal favourite of his own work, has never been properly appreciated. *Atlantic City* (1980), about a gentle old gangster adrift in the garish resort of the title, is graced by a lovely, late performance by Burt Lancaster. *My Dinner with André* (1981) is a droll conceit, a genuine dinner for two on which we, the spectators, are invited to eavesdrop. And his numerous documentaries, particularly the six-hour television series *Phantom India* (1969), doubtless merit reappraisal.

Right to the end of his career, Malle was therefore an unclassifiable talent, a director for whom even posterity may have some difficulty finding the relevant niche in the Pantheon of cinema history, for he was neither a journeyman nor an auteur, neither one thing nor another — just like his films.

Gilbert Adair

Louis Malle, film director: born Thumeries, Nord, France 30 October 1932; married Anne-Marie Deschod (one son, one daughter, marriage dissolved 1967); 1980 Candice Bergen (one daughter); died Beverly Hills, California 23 November 1995.



Gaspard Menease in Malle's *Au revoir les enfants* (1987): a real and durable triumph Photograph: Ronald Grant Archive



David Nickerson

David Nickerson was the "dealer's dealer" who for the last 28 years ran Mallett's Boudon House, the 18th-century house in Mayfair which is an outpost of Mallett's of Bond Street.

Nickerson had two outstanding qualities: his highly individual and informed "eye" when it came to works of art, and a talent for making and keeping friends from every walk of life from Norfolk countrymen to international clients, all of whom were attracted by his enthusiasm for anything to which he set his mind, from restoring a barn with his own hands to picking gift out of a Gothic mirror with a dental pick.

He took over Mallett's Boudon House in 1967. Gradually he transformed its elegant rooms into a *Kunstammer* of antiques both witty and eccentric, ranging from the classical antique and fine furniture to the incidental, Cubist Art Deco shagreen dressing cases, collections of walking sticks and carving knives, all the best of their kind. "One never knew what one was going to find when one went in there," remembers Mark Birley, one of his clients.

Boudon House became much more than an antique shop. It reflected Nickerson's love of objects of quality which interested him because they informed upon the culture from whence they came and the people that had commissioned, made, or owned them. He could perceive visual connections between seemingly disparate objects: fine neo-classical Waterford glass urns lived in harmony next to a Greek head of a slave, an 18th-century gaming set and a Phil May drawing.

Nickerson was born in 1933 in London, but spent his early years in Norfolk. During his first half at Eton, he contracted tuberculosis in one kidney which eventually had to be removed, and spent the next three years in bed. In this period of enforced inactivity he developed his eye and his love of history. He attended Norwich High School, where he played cricket but, as a semi-invalid, had to have a runner, and in 1953 went up to Trinity, Cambridge.

In 1957 he joined Mallett's in Bond Street, under Francis Egerton. Here he began to form his many friendships in the London dealing world and with clients, among whom were Bing Crosby and Bob Hope. Crosby and Hope were at Mallett's one day with Nickerson deciding whether one of them should buy a very large mirror; spontaneously, the three broke into a soft shoe shuffle — to be observed with horror by Francis Egerton, who was conducting a Royal Personage round.

Nickerson remained at Boudon House until June this year, when he became a consultant to Mallett's. Like Boudon House, his houses in London and Norfolk were full of the unusual and the beautiful. So were his pockets, which always contained mysterious and tiny sculptures, intaglios (one of his passions) and minuscule carved fragments. He loved the beautiful even in fragment form and would buy, for instance, two supporters for a missing clock, knowing that eventually he would find the last piece in the puzzle. Once he bought two busses, suspecting that they had been intended for two Kändler swans. Years later, he found the swans he knew should be perched on them.

Meredith Etherington-Smith

David George François Nickerson, antique dealer: born London 24 March 1933; married 1958 Sara Jewson (two sons, one daughter); died London 23 November 1995.

Lord O'Brien of Lothbury

In the Bank of England's long transition from independence in the 1930s to renewed independence in the 1990s, the seven years of Leslie O'Brien's tenure as Governor after 1966 marked the point when the Bank began to be a coherent player in the game between Government and the financial markets at home and abroad.

Yet what was seen by ministers and Treasury civil servants as a desirable development in the late 1960s was stultified for a time by the extraordinary circumstances of the inflationary boom and its collapse at the end of 1973.

That O'Brien, a quiet reserved man in public, was a professional central banker with 40 years' experience ranging from secretary to Montagu Norman to Deputy Governor in 1964, via the overseas and foreign exchange departments, and seven years' service as Chief Cashier, ensured his appointment by Harold Wilson in 1966.

The ill-concealed friction between his predecessor, the Earl of Cromer, and the Prime Minister, as well as the meretricious turn of that Labour government, disqualified other, more patrician contenders from the merchant banks.

But if Wilson and the Treasury mandarins expected bureaucratic docility, they were disappointed. O'Brien had seen how Norman had shaped the Bank to state requirements during the Second World War and, though he had deplored Cromer's methods, he shared his two predecessors' mistrust about the way the Keynesian prescriptions had been misused as a cure-all during the post-war period. Wholly loyal once government decisions had

been made, O'Brien remained robustly unafraid of ministers and Chancellors of the Exchequer so long as discussions continued.

The July 1966 crisis brought deflation and grievously damaged Labour's national help. Dependent on American aid, Britain could no longer act autonomously, while sterling had been reduced to the status of an adjunct to the dollar. Foreign competitors, led by American banks, threatened the City's own market predominance, while the British government was largely excluded from OECD countries' attempts to stabilise the international financial system.

In these conditions, O'Brien had to advise on four main policy areas: how to stabilise sterling and Britain's remaining sterling debts; how to manage the economy more efficiently in a rapidly changing environment; how to renew the flow of investment to domestic industry; and how to modernise City markets and financial institutions before they lost market share. At least until 1968, he also suffered the handicaps of subordination to the Treasury and depreciation by the Labour Party Left for his advocacy of monetary and fiscal prudence.

The sterling balance was stabilised, partly thanks to O'Brien's skilful diplomacy in Basle in 1968, but sterling remained at risk: after the 1967 devaluation (against which O'Brien struggled without effect) he and Harold Lever, Wilson's financial emissary, helped to avert a second devaluation in March 1968, negotiating with the US authorities. But the Governor's arguments about failure to con-

trol state borrowing and money supply had an increasing effect under the new Chancellor, Roy Jenkins, not least because of the more explicit tone taken by the Bank's own publication the *Quarterly Bulletin*.

It was clear by 1969 that O'Brien supported a permanent but flexible monetary policy and a market-driven element in bank rates. But substantial differences existed between Bank and Treasury as O'Brien and his team (now better integrated than in the past) evolved what became Competition and Credit Control, CCC's main aim was partial deregulation, to allow bank rate to be determined more by market demand for credit — especially from industry — and less by political requirements. At the same time, it was hoped that British banks would be freed from controls on lending, to compete more effectively with unrestricted foreign institutions and fringe banks at home operating under less stringent Board of Trade supervision, in an interbank market which saw deposits rise tenfold in the decade after 1962.

As by-products, O'Brien hoped that the fringe banks and the parallel markets in local authority and corporate loans could be brought under bank supervision, and industry encouraged to rely less on overdraft finance, more on the medium-term loans he expected would lead to innovation and structural adjustment. At the same time, long overdue but cautious reforms began in the City, after the shocks of Anthony Crosland's probing into banks' real profits, and revival of the 1959 Mergers and Takeover Panel. To counter



Leslie O'Brien in 1966: the new Governor of the Bank of England

what he saw as a threat to the City ethos of self-regulation and to the Bank's traditional role, O'Brien sought to modernise the Bank's own services, in particular through what became the Institutional Investors Working Party, which aimed to improve the flows and quality of investment.

Launched by the new Conservative Chancellor Anthony Barber in 1971, CCC differed in many ways from O'Brien's plan and had to be implemented at a uniquely unfavourable time: the Treasury even felt compelled to reinvent bank

rate under the title Minimum Lending Rate in 1972, and a year later asked O'Brien to suspend CCC altogether. By then O'Brien's optimism, based on admiration for Edward Heath's long vision of EEC entry and industrial transformation, had altered. For him, Iain Macleod's unexpected death had been a tragedy, for it left the less experienced Barber in thrall to a prime minister determined to achieve his main objects at all costs and hence predisposed to ignore O'Brien's warnings against monetary laxity.

To his dismay, sterling was floated in June 1972. O'Brien regarded a fixed rate as the basis of sound discipline, but he was not even called back from holiday to advise; nor was he included in the discussions which preceded the 1972 Industry Act. He shared Heath's bafflement that industrial management failed to take advantage of the new credit regime, but disagreed on how to deal with the malign combination of wage inflation and the pyramid of lending, mainly on speculative property, that led to CCC's being called "all competition and no control".

By early 1973 credit was expanding at an unprecedented rate accompanied by a 25.6 per cent increase in money supply, the beneficiaries from a real interest rate of 12 per cent being primarily financial and property-sector, together with private individuals, rather than industry. O'Brien found himself a Cassandra, unable to affect this wildly inflationary process. His remedy was to raise MLF to check the boom but, fearing the knock-on effect on the cost of living, and hence trade-union wage claims, Heath and Barber would not permit it. In its only real success, the Bank pushed the rate to 9 per cent in June 1973 by manipulating the Treasury Bill rate with Treasury officials' consent. Thereafter, loyalty to the state prevented O'Brien from resigning, with all the public consequences that were to follow. But on his 65th birthday he retired, only halfway through his second term of office.

In retirement, active on many boards, O'Brien reflected that the boom might have been

brought under control rather than induced to crash with cataclysmic results, but not against the will of a Cabinet whose eyes focused on a wages pact and reduction of unemployment from its post-war peak of one million. His own legacy, the special deposit scheme, and the so-called "corset" developed by the next Governor, Gordon Richardson, were applied months too late and may even have intensified the collapse.

At issue had been a struggle between an increasingly global financial set of realities and a domestically oriented defence of the post-war social settlement. As Governor, O'Brien had helped the Bank to establish its claim to be a guardian of the nation's long-term financial interest, through a new level of expertise and argument, for the first time since the 1930s. Political circumstances denied him the influence that Richardson was later to achieve. Yet O'Brien's important speech to the Belgian Société Royale, in October 1977, can be seen in retrospect as a marker, linking the independence of central banks to control of money supply and success in the perennial struggle against inflation.

Keith Middlemas

Leslie Kenneth O'Brien, banker: born 8 February 1908; staff, Bank of England 1927-73, Deputy Chief Cashier 1951-55, Chief Cashier 1955-62, Executive Director 1962-64, Deputy Governor 1964-66, Governor 1966-73; GBE 1967; PC 1970; created 1973 Baron O'Brien of Lothbury; President, British Bankers' Association 1973-80; married 1932 Isabelle Pickett (died 1987; one son), 1989 Mrs Marjorie Taylor; died 24 November 1995.

Births, Marriages & Deaths

IN MEMORIAM

JACKIE: In memory of Tertius Williams, remembered on this day. Much loved and missed. Husband to Gweneth, father to Deborah and Robin, grandfather to Jamie, Nick and Hayley.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 4DL, telephoned on 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (theft, lost, found, missing, etc.) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. Please include a daytime telephone number.

ROYAL ENGAGEMENTS

The Duke of Edinburgh, Senior Fellow, attends the Royal Academy of Engineering's New Fellows Dinner at Merchant Taylors' Hall, London EC2. The Duke of Kent, President, attends the Stoke Newington's Life After Stroke Award Ceremony in London, at the Hotel Inter-Continental. Lord W. Pitt-Rivers, President, attends the Royal Society's Sir John Lubbock Lecture in London, at the Royal Society, 21, Bedford Square, London WC1. Prince Michael of Kent, President of the Royal Club, attends the club's Christmas Dinner, at 14 Garsington Road, London W1.

Changing of the Guard

The Household Cavalry, Mounted Regiment, presents the Queen's Life Guard at Horse Guards, 11am.

Forthcoming marriages

Mr R. E. Clarkson Webb and Miss R. N. Lancaster

The engagement is announced between Ruth Naomi, daughter of Mr and Mrs T. Lancaster, of Chesham, Kent, and Richard Edward, son of Mr and Mrs R. Clarkson Webb, of Cumnor, Oxford.

Birthdays

Mr John Alderton, actor, 55; Professor John Ashworth, Director, London School of Economics and Political Science, 57; Mr Rodney Bewes, actor, 58; Lord Bridges, former diplomat, 68; The Very Rev Edward Carpenter, former Dean of Westminster, 85; Mr Robert Dougall, television presenter, 82; Air Marshal Sir Eric Dunn, defence consultant, 68; Mr James Evans, former Chairman, Press Association, 63; Lord Howard de Walden, racehorse owner and breeder, 83; Dr Kim Howells MB 49; Miss Rosaline Kelly, journalist, 73; Miss Verity Lambert, film producer, 60; Sir John Maddox, Editor of *Nature*, 70; Baroness Mallieu QC, 50; Lord Nickson, chairman, Clydesdale Bank, 66; Mrs Margaret Parry, former Headmistress, Heathfield School, 76; Mr Alan Simpson, author and scriptwriter, 66; Mr Ernie Wise, comedian, 70.

Anniversaries

Birth: Anders Celsius, inventor of the thermometer, 1701; John Mur-

ray, publisher, 1778; Sir Charles Scott Sherrington, physiologist, 1857; Chaim Weizmann, biochemist and first president of Israel, 1874; Sir William Newenham Montagu Orpen, painter, 1878; Deasides Horace, poet, 8 BC; Jacopo Sansone, Italian sculptor, 1578; Athanasius Kircher, Jesuit priest, scientist and inventor of the magic lantern, 1602; Henry Winstanley, Eddystone lighthouse designer, drowned 1703; Andrew Melville, millwright and threshing machine inventor, 1811; Alexandre Dumas the Younger, novelist and playwright, 1895; Alice Christiana Gertrude Meynell, poet and essayist, 1922; Eugene Gladstone O'Neill, playwright, 1953; Theodore Francis Powys, novelist, 1953; Arthur Honegger, composer, 1895; Ross MacWhirter, compiler of the *Guinness Book of Records*, killed by the IRA 1975. On this day: William Shakespeare married Anne Hathaway, 1582; two women at Grantham, Lincolnshire, became the first police-women, 1914. Today is the Feast Day of Saints Barbara and Joseph, St Cungar of Somerset, St Fergus of Strathern, St James Intercus, St Martinus of Riez, St Secundinus or Sechnall and St Virgil of Salzburg.

Lectures

Victoria and Albert Museum: Michael Keen, "Judaism: The Torah", 2.30pm. Exeter University, Parker Moot Room, Amory Building: Professor Keith Cameron, "Old Wine in New Bottles: the relevance and irrelevance of the Renaissance", 1.10pm.

The following notes of judgments were prepared by the reporters of the *All England Law Reports*.

Breath test

DPF v Berry, QBD(DC) (Simon Brown LJ, Scott Baker and Latham JJ); 30 Oct 1995. A defendant who had a low level of understanding and was unable to understand the breath-test procedure had not been deprived of his right to have his specimen of breath replaced under s 8(2) of the Road Traffic Act 1988 when it was clear his condition had been made worse by his admitted consumption of alcohol, since the deprivation was self-inflicted. Ben Croxall (CPS) for the prosecution; the defendant did not appear and was not represented.

Contempt

Delaney v Delaney, CA (Sir Thomas Bingham MR, Sir John Balcombe); 24 Oct 1995. A county court judge who found a party guilty of contempt for breaking a court order or undertaking did not have power to remand that party in custody while he considered the appropriate sentence to impose.

Phillips Eade (Rustons & Lloyd, Newmarket) for the applicant; James Mundy QC (Official Solicitor) as amicus curiae.

Crime

R v Finnegan and anor; CA (Crim Div) (Roch LJ, Forbes J, Judge Patten QC); 1 Nov 1995. Section 35(1) of the Banking Act 1987 (fraudulent inducement to make a deposit) does not require that the misleading statement should have induced another person to make a deposit. Where that the case then the charge would be one of obtaining property by deception. The offence is complete once the defendant has made a statement which he knows to be misleading, false or deceptive for the purpose of inducing another person to make a deposit with him or another person. The statement does not have to be communicated to the person whom it is intended to induce to make a deposit; it is sufficient if the statement is made and communicated to someone with the necessary intent or purpose. Peter Collier QC, Jeremy Barnett

CASE SUMMARIES

27 November 1995

(Registrar of Criminal Appeals) for the appellant; Stuart Browne QC, Neville Spencer Lewis (CPS) for the Crown.

Practice

Yorkshire Regional Health Authority v Fairclough Building Ltd and anor; CA (Neill, Evans, Millett LJ); 1 Nov 1995. The substitution of a new party, who had succeeded to a claim or liability already represented in existing proceedings, pursuant to RSC Ord 15, r 7, did not involve the making of a "new claim" as defined in s 35(2) of the Limitation Act 1980 and accordingly s 35(2) did not deprive the court of jurisdiction to order such substitution after expiry of the relevant limitation period.

Christopher Kinch (Sharpe Pritchard for Council Solicitor) for the council; Jonathan Galtbraith-Martin (Bancsi Purness, Manchester) for the defendant.

Witness

R v Davies and ors; CA(Crim Div) (Swinton Thomas LJ, Waterhouse, Harrison JJ); 3 Nov 1995. The test of the competence of a child witness under s 2 of the Criminal Justice Act 1991 is whether the child is able to understand the questions put to him or her, to communicate, to give a coherent and comprehensive account of the matters in relation to which he or she is giving evidence and to dis-

tinguish between truth and fiction and between fact and fantasy. Once a child can give a comprehensive account and distinguish between fact and fiction, whether the child is telling the truth or not is a matter for the jury.

The Cleveland guidelines in relation to the conducting of interviews should be regarded as expert advice as to what will normally be the best practice to adopt in seeking to ensure a child's evidence is reliable. In resolving questions that arise under section 32A (video recordings of interviews with children) and the judicial discretion in relation to admissibility under s 78 of the Police and Criminal Evidence Act 1984, the issue was whether fairness required the judge to exclude or to admit the evidence.

Patrick Eccles QC, James Tillyard, Gerald Price QC, Jeffrey Clarke, Ian Peddie QC, Philip D. Marshall, Edward Lyons QC, David J.M. Aubrey, Adrian Fulford QC and Janet Plange (Eaton-Evans & Morris, Haverfordwest); Nigel Mylne QC, Geraint Walters (Paul Senance & Co, Haverfordwest) for the appellants; Gerard Elias QC, Paul Thomas QC and David Roddy QC (Treasury Solicitor) for the Official Solicitor.

09/11/2015

THINKERS OF THE NINETIES

Fundamental fault that divides us



Is globalization taking place? Far from it, says the man who believes the single ideological clash has been replaced by multiple confrontations based on culture. Bryan Appleyard investigates

Deep in the psyche of the United States there lies the thought that everybody is really American, only by an accident of birth do they call themselves Japanese, French or whatever. Being American is an ideal condition, the moral and political apotheosis of the species. During the Cold War this belief neatly divided the world into two. There were Americans and aspirant Americans – those who supported the United States against the Communists – and there were the rest – those either too misguided or too oppressed to see the light.

On the face of it, the West's victory over Communism should have provided an instant proof of this conviction. But instead, there was puzzlement. America's economic dominance was being challenged by newly confident Far Eastern nations. And, internally, America seemed divided against itself. This country had something that had made it victorious, but there seemed to be no agreement about what it was. Meanwhile, in the Gulf, in Yugoslavia, in Africa, conflict seemed to be as entrenched as ever. The world was apparently incapable of acknowledging its ultimate American destiny.

In 1993, in the journal *Foreign Affairs*, Samuel P Huntington provided one answer. In an essay called "The Clash of Civilisations", Huntington, a Harvard professor, said the single ideological confrontation of the Cold War had been replaced by multiple confrontations. These were based not on politics, economics nor even on the demands of the nation state, but rather on culture. "The next world war," he wrote ominously, "if there is one, will be a war between civilisations."

The thesis is pessimistic. Many had hoped that the triumph of liberal democracy signalled at least the beginning of the end of armed conflict. Liberal democracies have never gone to war with each other and, now that it seemed so obviously to be the one desirable form of government, nations should gradually move towards a new era of peace in which the sheer economic inefficiency of war would become unthinkable. But Huntington began from the view that fundamental conflicts would persist and then he simply asked what would, in the future, be likely to drive them.

For the United States, this pessimism had its positive side. After the Cold War, American institutions faced an identity crisis. From the Pentagon to the CIA, they wondered what they were supposed to do. This was a coun-

try on a war footing, but now with no obvious enemy.

Huntington, in the conclusion of his essay, gives them their programme. The US must work to promote co-operation among countries within its own civilisation – Europe and the Americas; it must limit the expansion of military power of Islamic and Confucian states and it must exploit their differences and conflicts. The programme was, in short, to shore up the West against the anti-West. It was as decisive a statement of the need for eternal vigilance as any that were made during the Cold War.

The intellectual heart of this argument is Huntington's concept of civilisation as the new determining force in world affairs. A civilisation, he says, is a cultural entity, it is "the highest cultural grouping of people and the broadest level of cultural identity people have, short of that which distinguishes humans from other species". In the case of Japan, the civilisation and the nation state coincide, but in every other case a civilisation includes many different states.

Huntington identifies eight civilisations: Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American and "possibly" African. Perhaps his most potent example of the way these blocs divide is his new Iron Curtain. The conquests of Communism drew this line too far to the West. In reality, it runs between Russia and Finland, down through the Baltic states, Ukraine and Romania, and then it twists ominously through the Balkans. This is the ancient fault-line between Catholic and Orthodox Christianity. It makes it clear that the Bosnian conflict is far more fundamental than we like to think. In the former Yugoslavia, the Europe of the Renaissance and the Enlightenment had reached its easternmost limit.

The point about such divisions is their depth. They are old and they embody basic differences between peoples. We are just beginning to grasp that the Serbs are not like us. Equally, the Confucian states – notably China – will remain essentially incomprehensible because they simply do not share our attitudes to morality, individual freedom and human rights. And, of course, the Salman Rushdie affair demonstrates the extent to which an unbridgeable gap will always exist between a theocratic culture and the West, where religion has been relativised to the

3: SAMUEL HUNTINGTON

'The next world war, if there is one, will be a war between civilisations'

CAREER: Samuel P Huntington is Albert J Weatherhead III University Professor and Director of the John M Olin Institute for Strategic Studies at the Center for International Affairs, Harvard University. He was born in 1927 in New York City. He was educated at Yale and Chicago Universities and has taught at Harvard and Columbia. Between 1977 and 1978 he was at the White House as Co-ordinator for Security Planning for the National Security Council. He founded the quarterly *Foreign Policy* and was co-editor until 1977.

WORK: He has written more than a dozen books and 90 articles in three key areas: military politics, American and comparative politics, and the politics of less developed countries. His major work – *The Third Wave: Democratization in the Late Twentieth Century* – was published in 1991 and his essay, "The Clash of Civilisations" appeared in 1993.

LIFE: Huntington is married with two children.

CRITICS: His Clash of Civilisations thesis has been attacked as being oversimplified. Cultures alone, say his critics, do not make wars; more elaborate interactions with politics and economics are required. The idea, it is said, is no more than a desperate attempt to think up a coherent foreign policy for the United States.



Illustration: Chris Priestley

point where it cannot make ultimate political demands.

Huntington rejects the argument that, as travel increases and communications improve, these differences will become less profound. Rather, he says, they will become more intense as people struggle to retain their cultural identity against the globalising tendencies of the modern world.

"The interactions among peoples of different civilisations," he writes, "enhance the civilisation-consciousness of people which, in turn, invigorates differences and animosities stretching or thought to stretch back deep into history." The impact of the essay was almost as great as that of Francis Fukuyama's "End of History" essay published in 1989. Huntington, previously a solid, respected but uncontroversial thinker, was suddenly being debated at conferences around the world. Perhaps this is because he was saying exactly the opposite of Fukuyama. Whereas the End of History argument suggested that all cultures were converging on the ideal of liberal democracy, the "Clash of Civilisations" suggested the ancient divergences were, for the time being, absolute. History, far from being over, had been revitalised by the end of the

Cold War. The old, cultural divisions had re-emerged to divide us all.

But is Huntington right? Clearly, in an obvious sense, he is. Deep fault-lines do exist in the world that represent more than just economic or political differences. We may console ourselves that they listen to Sting or Michael Jackson in Japan, but it does not take long to realise they are hearing something different. Equally, the Americans might have felt pride that a rough replica of the Statue of Liberty was erected by the students in Tiananmen Square. But China remains a Confucian culture imbued with the utterly alien idea that government cannot ultimately be wrong because it is the embodiment of what is right.

Yet globalisation is happening. Local cultures are being weakened by the intrusion of alien influences. Usually, because they control the software, these influences are American. But the point is that, whatever the influences, they tend to deliver the message that the demands of the local, the demands of your civilisation, are not absolute; you can choose others. Maybe Huntington is right to say this globalisation will induce a kind of cultural paranoia, an intensification of difference. But that is only speculation and there is equally

authoritative speculation pointing in the other direction.

Finally, the charge can be levelled at Huntington that he appears to be bending over backwards to define an aggressive foreign policy for the US. Cultural conflict is an even better justification than the merely ideological conflict of the Cold War. There are more enemies and the frontiers are more clearly defined. And this threat is more or less permanent, a constant pressure on the Americans to stiffen their sinews and summon up their blood.

But the fairest summary of Huntington's position is that it has been an important corrective. The defeat of Communism led to many facile simplifications, notably about the universal panacea of free market economics. This led to dangerous generalisations about the world and the absurd assumption that, in the end, everybody would succumb to Western consumerism. Huntington's importance was to point out that there are great differences between peoples that cannot be eliminated either by liberal idealism or conservative economics. For not everybody is American and some might not want to be to the point of war.

Illustration: Chris Priestley

Diary

RUTH DUDLEY EDWARDS



I rarely fall out with my friends, but recent events have brought about a free and frank exchange of views with two of the closest. The first rift occurred last Tuesday, when I finally got through to Krystel. I had been having a tough time on the Princess Diana front, for in my west London village only Kuku, my newsagent, and Carol, my assistant, had shared my view of the *Panorama* experience. "Did you see the Princess Di interview?" I inquired eagerly. "Of course, wouldn't have missed it," Krystel is unrivalled. "I thought she was terrific," she added. I emitted a long, low wail. "You couldn't have been taken in. Not you, of all people. And by a manipulative peerer-from-under-her-eyelashes who wants to be the Queen of Hearts." "Sorry," said Krystel. "But she was marvellous. And it serves Charles right."

So I called Darren and he provided balm, for he is a Carlist, too, and we dissected the performance so viciously that even Nicholas Soames might have thought we were being a little unfair. Darren shook his head over Krystel but we agreed that she had to be forgiven one major error of judgement. And then we proceeded to chat on other matters until he said apologetically, apropos the referendum that was about to be held in Ireland, that he had decided to vote "No" to divorce. So after the ensuing altercation, I had to ring Krystel to complain about Darren. I have changed the names to protect the guilty, but it gave me a lot of satisfaction to award them such undignified aliases.

Here is Tony Walton's narrative verse on the present state of the saga.

A very nice try
By Princess Di
Took the wind from the sails
Of the Prince of Wales.
When the programme was seen
Her Majesty the Queen
Said: "If she wants to make a crisis out
of a drama
She'll have to do better than
"Panorama".
(And although it always makes me sick
I think Charles should appear with
Anne and Nick).

In Dublin at the end of the week, I was delighted by my friend James's reaction to *Panorama*. It reminded him, he explained, of the true story of the earnest young reporter from the *Morning Post* who in 1920 was despatched from London to find out what the devil the Irish were at and why they were rebelling all over the place. Finally, he tracked down a senior Sinn Féin figure in Dublin. "What are you seeking?" he asked anxiously, pencil poised over notebook.

His interlocutor paused, reflected and pronounced: "Revenge, Bejams!"

The lamp-posts in Dublin are festooned with a wide variety of placards urging "Yes" or "No" votes on the citizenry. In response to various strong anti-divorce interventions by Catholic bishops and their blood-curdling warnings about



Eamonn Casey: family man

the collapse of family life, the Socialist Workers' Party contribution features a large photograph of Eamonn Casey, sometime Bishop of Galway, who died the country when it was revealed that he had a son of 18 and had used diocesan funds to pay hush money. Beside him is the legend: "Let the bishops look after their own families. Vote for change!"

Having been brought up in Dublin in the heyday of aggressive and authoritarian Catholicism (I was once denounced from a rural altar for demonstrating urban immodesty by wearing trousers), I never cease to be amazed and delighted by the sheer politeness of Church of England clergy. So I particularly loved the graciously worded question from Stuart Samuel, who is not only Rector of Hatherly, Long Wharf & Diseworth with Belton and Osgathorpe, but also Rural Dean of Akeley East:

Dear Ms Edwards, can you state
Why you call your chosen Mate
the "tenant" of your affections?
Do you stress the transience,
Short-list, take up reference
and leave your predilections?

Michael Leapman, as befits a journalist rather than a man of the cloth, merely observes that the phrase makes him nauseous. And John Hawgood says if I don't want to use simple words like "lover" or "mate", I should launch a competition to find "a better circumlocution". I can't satisfy Michael or John, for my gentleman friend and I are creatures of habit and we're used to the term, but I can reassure Stuart that although initially the phrase indicated a certain caution, I long ago offered to change "tenant" to "freeholder". The tenant, however, says that there is no need to introduce such complications: he has a lease of 999 years and he reckons that'll see him out.

I had lunch last week with Andrew Boyd, friend as well as elf of this column, in the Lee Ho Rook in Gerrard Street, from which emerged three questions. Why did they serve dry



Chinatown: nest of the Pelican

sherry in a tumbler with ice and lemon? And why, when they told us they didn't have any coffee, did they offer ice-cream as an alternative? The third is for PG Wodehouse buffs. Is Andrew right in his suspicion that the restaurant is on the site of the Pelican Club, which flourished in the 1890s and 1890s and is much mentioned by Lord Emsworth's brother, the great Galahad Threepenny? And what's more, Andrew wants to know if anyone has ever reconstructed Gally's story about Sir Gregory Parsloe and the pawns, of which we know nothing except that it reduced Beach, the Blandings Castle butler, to hysterical laughter.

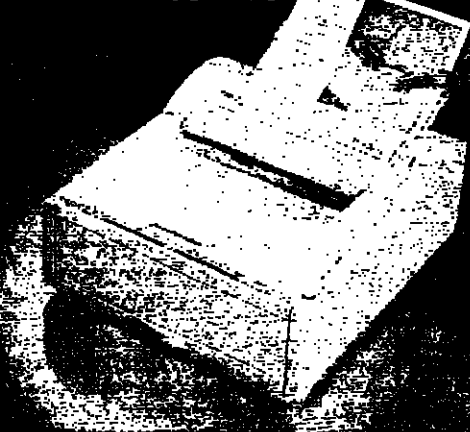
Musing about Wodehouse's has just given me an inspiration. Princess Diana is Madeline ("The stars are God's daisy chain") Bassett.

Mike Bradshaw is in a harsh mood. Brian Mawhinney ain't. Convincing wearing paint. Trying to put a gloss on Tony dress.

And finally, Diana Wood, who was greatly impressed by your success in sorting out the Odgerses' little difficulty with a riddle, begs for help in discovering the first four lines of a limerick published in the *Spectator* some time in the Fifties. The last line was "And I bet you 'e 'as 'er by Jan!". Of course, if you don't know the answer, you might make it up.

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Mr Murdoch's taxing times

Later this week the pages of Rupert Murdoch's national papers – the *Times*, the *Sunday Times*, the *Sun* and the *News of the World* – will be filled with analyses of Kenneth Clarke's Budget. But while journalists toil over the detail of tax cuts, the real tax experts at Murdoch's News International, the parent company, will be busy on a far more lucrative project. Despite making profits of nearly £1bn in the past decade, the company has paid only 1.2 per cent of this in tax. Whatever Murdoch leader writers say about the justice or otherwise of Clarke's tax regime, News International is certainly not paying its fair share in tax.

The legality of News International's behaviour is not in question, but the morality is. It is a common and legitimate practice for companies to offset profits made in one area against losses made in another, before paying tax on the net profits that remain. Using chains of unexplained financial transactions between a network of subsidiary companies, including several based in international tax havens, News International manages to find significant losses to help to reduce its British tax bill.

Companies such as News International clearly believe any trick within the limits of the law is legitimate if it reduces their tax bill. Yet they benefit from many services that the Government provides. Ranging from well-maintained roads that help efficient distribution, to a legal framework that ensures their contracts are enforced, they depend on government action to help them to make profits. Multinationals with clever accountants who avoid paying their fair share in tax are in effect subsidised by the British taxpayer.

Then there is the question of a level playing field. Other newspaper operations pay the Treasury more: the Telegraph Group paid about 29 per cent of its profits in tax last year, while the Mirror Group, which owns 43 per cent of the *Independent*, paid about 20 per cent. If News International had paid, say, 25 per cent of its profits in tax last year, the Treasury would have been almost £200m better off.

Murdoch's competitors must be feeling pretty sore. After all, he is engaged in a predatory price war designed to push some of his competitors out of business by keeping newspaper cover prices low. It must be particularly infuriating to discover that the strategy is being subsidised by the money that News International has avoided paying in tax. Companies that play fair, or whose operations are largely confined to Britain and are therefore unable to use the same methods of tax avoidance, face a serious competitive disadvantage.

Unfortunately, there is no simple loophole for Mr Clarke to close on Tuesday. While companies have many international arms and while tax collection is confined within national borders, the scope for ingenious accounting will remain.

The Inland Revenue has a tough new line on corporate tax avoidance. It should go further and examine new ways to close down the tax-avoidance options available to multinational firms. And the Labour Party should make sure News International's affairs are at the forefront of its corporate tax review. It is vigorous enough in its pursuit of fair tax for individuals. No amount of favourable headlines in the *Sun* should deflect it from a fair tax proposal for companies, too.

A division that won't go away

Ask the Government what it would like for Christmas, and the list would doubtless be long. But somewhere near the top would be a request that European Monetary Union, surely the most divisive issue facing the Tories, should quietly fade away. As for John Major and his colleagues, this is one present that Santa will not be delivering. As today's meeting in Brussels of European finance ministers will confirm, the political will for launching a single currency by the date of January 1999 remains strong. Whatever the economic doubts about the project, and there are many, the Government would be deluding itself if it thought that Germany, France, the Benelux countries and others have privately concluded that the launch of the single currency should be put off by a couple of years, or even postponed indefinitely.

Until a month ago, the picture might have looked different. The French government was pursuing half-hearted economic policies that appeared to suggest it was looking for an excuse not to enter monetary union. In Germany, polls consistently showed public opinion hostile to the idea of sacrificing the strong mark for a potentially wobbly Euro-currency. Elsewhere in Europe, loud complaints were to be heard from countries such as Belgium and Italy whose ability to meet the Maastricht treaty's conditions for joining a single currency were being increasingly questioned in Germany.

Clearly, not all these problems have gone away. But no one should underestimate the significance of President

Chirac's policy U-turn in late October. Abandoning his election pledge of last spring to make a priority of reducing unemployment, he vowed instead to wage war on budget deficits so that France can fulfil the Maastricht criteria on time. His government is now committed to a drastic overhaul of the welfare state and other austerity measures strict enough to make Thatcherism look like a charity event. Bankers and economists may well doubt whether Mr Chirac's gambit will succeed, but the important point is that, after six months of wavering, the president has nailed his colours firmly to the mast of the single currency.

So, too, has Chancellor Helmut Kohl. It would be a grave mistake for the Government to think that German demands for even tighter conditions of monetary and fiscal stability than those set out in Maastricht indicate a desire in Bonn to find a pretext to bury monetary union. On the contrary, what they reflect is Germany's justified concern that Maastricht should be sufficiently free of loopholes to guarantee that the single currency will work. Close the loopholes, as they are beginning to be closed now, and Germany will be Europe's foremost advocate of launching monetary union on schedule.

The Tories will therefore not be able to paper over their internal divisions during the next election campaign by arguing that the single currency may never happen. For key member states, monetary union remains the cornerstone of the European Union's future.

ANOTHER VIEW Denis MacShane

Royalty and the Commoners

Today, 651 wise monkeys return to Westminster. In our constituencies there has been only one subject talked about over the weekend. Yet, as we slide into our green leather benches this afternoon, we have to pretend that we can say nothing, see nothing and hear nothing about the only issue in town.

Inside Parliament, MPs are forbidden by convention, not law, from debating the monarchy. Outside the Commons, we regain our privileges. Nicholas Soames got shot down for excessive loyalty to his Prince, while in yesterday's *Sunday Telegraph*, Douglas Hurd was toe-curlingly obsequious to his Princess. But what of the MPs of all persuasions who refuse to take sides in this marital row but would like some debate on the political and constitutional implications of the extent to which the institution that heads our state, in whose name our soldiers die, and to whom each MP swears allegiance, is becoming a world spectacle?

Sympathy for those members of the Royal Family who carry out their duties with discretion and tact is no excuse for not having a mature debate about what we mean by, and want from, the monarchy as we enter the 21st century. In every other democratic monarchy, the monarch swears an oath of allegiance to the constitution. The King of Spain or the Queen of Denmark are symbols of the democratic glue that holds their states together because they place themselves and their families within and under the laws of their lands.

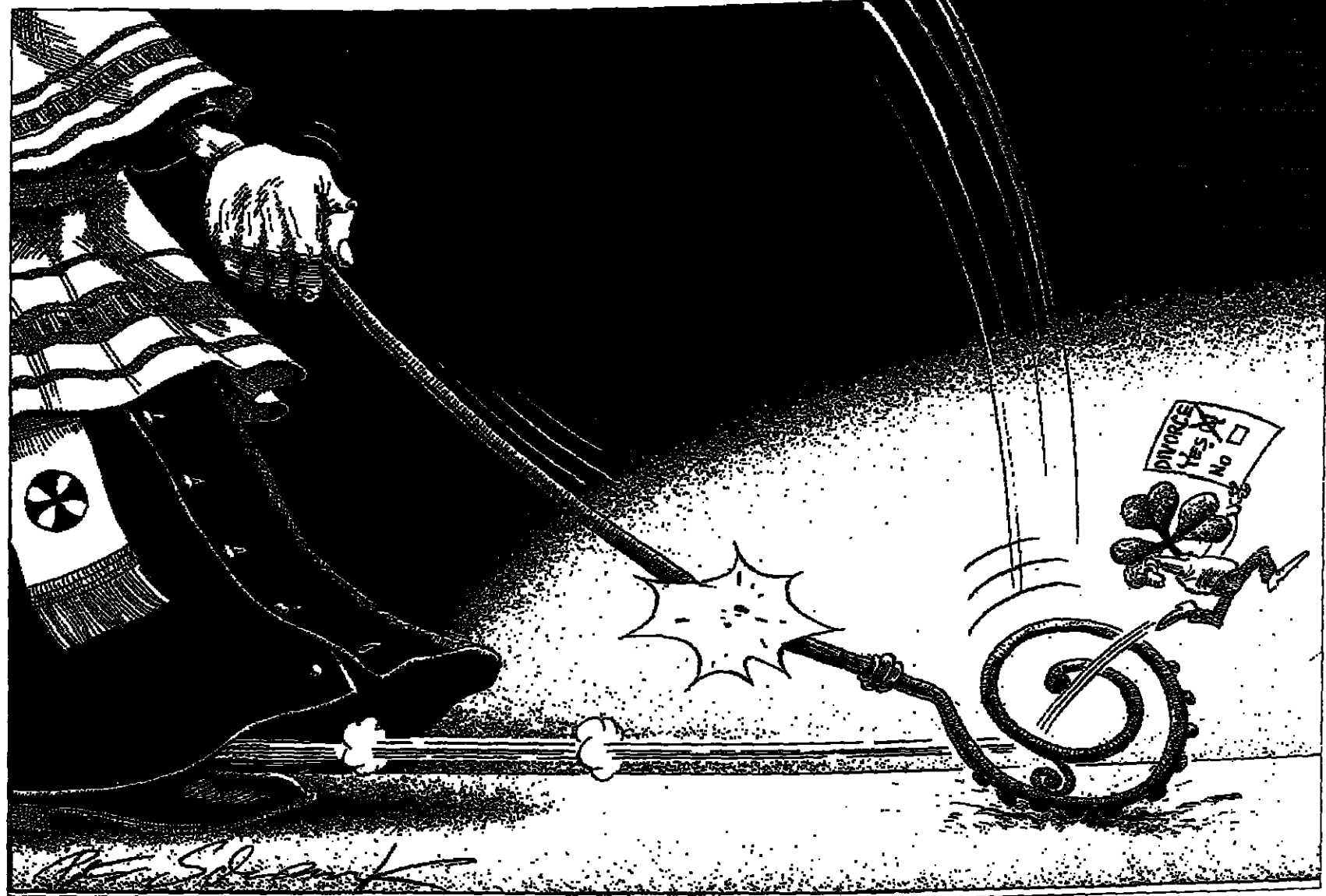
How absurd that MPs should determine, by Act of Parliament, the marital status of a member of the Royal Family. How medieval that the monarch is also expected to head the official state church. How undemocratic that elected legislators cannot discuss the issue that dominates national debate.

Instead, the royal agenda is controlled by tabloid newspapers and television executives. More beans will be spilt. As the fourth generation of living royals goes through late adolescence and enters the value-free, me-first world of contemporary upper-class England, more flesh will be provided for the tabloids and TV to feast upon.

Change is urgently needed. The 19th-century mysticism of monarchy, celebrated by Bagehot, worked for a nation rising to the top rank of world power. It is no longer appropriate in a Britain gripped by drift and decline.

Like almost every other part of our ancient regime, from the centralised, London-based power structure to our segregated education system, the 19th-century settlement is no longer valid. The monarchy must change. And the beginning of that process should be a debate whose agenda is not determined by tabloid journalists, hucksters selling scandal or agents for the warring royal camps, but by Members of Parliament in their own House of Commons, into which, after all, no monarchy may set foot.

The writer is Labour MP for Rotherham.



LETTERS TO THE EDITOR

Immigration Bill is 'firm' but not 'fair'

From Mr Radu Popp-Vineller
Sir: As an Eastern European exile in Britain at the end of the 20th century is to be undesired living proof that the plunder that occurs in Eastern Europe is unjust and oppressive at civil, political, cultural, social and, ultimately, at economic level, and that some of us still refuse to accept it and we pay the price of exile trying to make the West conscious of it.

My disappointment with this article comes from the fact that he fails in all respects to be specific about what "fair" and "firm" means in the proposed Bill. Moreover, he suggests genuine applicants have nothing to fear, yet it is widely acknowledged that the very act of seeking sanctuary has become criminalised, with finger printing and detention procedures. He omitted the fact that the term of asylum-seeker as still defined by law is dated, inadequate and ultimately redundant – for example, last year it was challenged in relation to persecutions on grounds of homosexuality.

Above all, Mr Deva seemed to imply that an economic refugee is a person who uses his position in this country for material gain without declaring it. The general background of more than 60 per cent of the Eastern Europeans here is college-educated and middle class. The benefits of living on the poverty line, or taking jobs that white British people do not want, or having jobs refused because we have a *persona non grata* status cannot be seen as the main reason for fleeing one's native country.

To be a European exile in Britain at the end of the 20th century is to be undesired living proof that the plunder that occurs in Eastern Europe is unjust and oppressive at civil, political, cultural, social and, ultimately, at economic level, and that some of us still refuse to accept it and we pay the price of exile trying to make the West conscious of it.

Eventually what is disconcerting about the new Bill is not the racist-or-not debated issues, but the fact that it aims to tackle an effect – eg, asylum-seekers and immigration, without trying to sort out the causes. Mr Deva's article ignores these causes, which is very distressing, considering the lessons of history and the geo-political presence of Eastern Europe. The plight of Bosnia is a harrowing example of a lesson of history that politicians were complacent to learn and are now apparently happy to be rid of, but at what human cost?

Yours sincerely,
RADU POPP-VINELLER
London, SW1
24 November

Notwithstanding the Government's persistent denial, the Bill is specifically designed to curb the flow of refugees from Asia and Africa, not from Poland. The East European countries have been included to make the Bill appear more credible and mask its racist connotations.

The Tory government used similar strategies in the late Seventies when, in order to curb visitors from the Indian sub-continent, it extended the Immigration Act to include visitors from the old Commonwealth. The Act was meant to treat all visitors equally, irrespective of their race, but in reality it worked against the visitors from the new Commonwealth, for while Australians and Canadians encountered little difficulty in getting into this country, the current Asylum and Immigration Bill, like its predecessor, is also likely to generate two sets of unwritten codes: one for dealing, albeit sympathetically, with "genuine" refugees from Eastern Europe and the other for dealing firmly with "economic" refugees from the Third World.

There is little doubt that the Bill is carefully timed and designed not to solve the problem of illegal immigration but to bolster the Government's declining popularity in the opinion polls.
Yours faithfully,
RANDHIR SINGH BAINS
Gants Hill,
Essex
24 November

Mandela's links with Indonesia

From Dr Peter Carey
Sir: The equivocations and compromises of South African foreign policy are indeed disheartening ("When Mandela went missing", 21 November), especially when set beside the huge sacrifices made to establish black majority rule. But they are not totally surprising in the context of South Africa's links with Indonesia.

During the apartheid regime, arms sales to Jakarta seem to have bulked large (Indonesia's public support for sanctions notwithstanding), and it was one of the first countries which Nelson Mandela visited after his release from prison in 1990. The fact that President Suharto made a personal gift of US\$10m to Mandela for the African National Congress electoral campaign could be the reason why the East Timor issue was not taken up too strongly.

Even after Jakarta had perpetrated the 12 November 1991 Santa Cruz massacre in Dili

(which left 271 dead, 250 missing and 382 wounded – a far worse death toll than Sharpeville), relations continued to blossom. During an official visit to Indonesia in September 1994, Mandela again soft-pedalled East Timor, merely calling for "dialogue" (something which was already in train – and getting nowhere – under UN auspices) and not pressing for the release of the one man who could have made that dialogue meaningful – the East Timorese resistance leader, Xanana Gusmao, who is serving a 20-year jail sentence in Jakarta after a trial widely condemned as unfair by international lawyers.

No doubt foreign investment is critical for present-day South Africa, but what that investment comes from contacts with regimes as repressive as Suharto's Indonesia, one might have expected some scruples, especially from a leader of Mandela's stature.
Yours sincerely,
PETER CAREY
Fellow and Tutor, Modern History
Trinity College
Oxford
22 November

Wind turbines will save our planet

From Mr David Redom
Sir: So, John Edwards (letter, 24 November) does not believe that "the public" will ever accept thousands of wind turbines.

I personally regard wind turbines as machines of great beauty, just like a tall sailing ship, and will be delighted to see them everywhere in the near future. Of course, wind speeds being higher over the sea means that being sited off-shore optimises an aerogenerator's efficiency, but there are many excellent inland areas where "the public" can enjoy the thrill of watching and listening to these very green, pollution-free servants of human kind diligently going about their appointed task.

The alternative to pollution-free power sources such as aerogenerators is, in any case, too terrible to contemplate, not just for rural Wales but for the whole planet. So let's ignore Mr Edwards and build a future – aerogenerators are as good a place to start as any and will become a visible symbol of just how much fun saving the planet is going to be.
Yours faithfully,
DAVID REDOM
London, N13

Help the elderly care for themselves

From Mr Piers Hart
Sir: In his article on paying for care of the elderly (Money, 25 November), Clifford Gerasim mentions a number of ways in which the Chancellor could ease the problem through tax concessions and by upping the £8,000 asset threshold. Surely one of the simplest measures to allow the elderly to hang on to their homes would be to allow the cost of care to be offset for tax purposes against any income they might have. In this way a small occupational pension might be able to

pay in full for care in the home without the need for outside resources or subsidies. Similarly, renting out the erstwhile family home might provide sufficient gross income to pay for residential care. This would greatly reduce the financial demands on the public purse and continue to allow individuals, even in old age, to be independent consumers and creators of wealth. It does seem iniquitous that the elderly and infirm should be penalised through taxation in their endeavours to remain financially self-sufficient.
Yours faithfully,
PIERS HART
Thetford, Norfolk

Less litigation

From Dr Nick Armstrong
Sir: Kindly ask Polly Toynbee ("Watch out! There's a victim about", 24 November) to read the 1994 judicial statistics. They show that the litigation in English civil courts has dropped over the past few years, taking her argument with it.
Yours faithfully,
NICK ARMSTRONG
Irwin Mitchell Research Fellow
Nottingham Law School
Nottingham

Time-consuming exercise

From Mr Nicholas Bond
Sir: Peter Popham seems intent on propagating the misconception that changing the time on our clocks can give us more hours of daylight ("Time for a little daylight – and sanity" 25 November). He quotes Dr Mayer Hillman's calculations that putting the clocks forward an hour would give us 12 per cent (weekdays) and 35 per cent (weekends) extra time for "daylight-dependent activities". It must be obvious to everyone with any intelligence that we will get no extra daylight time purely by moving the hands on our clocks – so from where do these figures come?

It seems that we have become slaves to time rather than having the flexibility of being able to start the day earlier, or later, if we so wish. If, during the winter months, it is in the interests of schoolchildren in the south of England to start school at 8am and builders in the north of Scotland to start work at 10am, they should be able to do so whether our clocks are registering GMT, Summer Time or Central European Time.

As for Mr Popham's desire for winter tennis without floodlights, gardening and daylight dog walking, to achieve this at present he

has only to get up an hour earlier at weekends and, with the clocks altered during the week, he would still have to take the afternoon off to get in a game of tennis or make an impact on his garden. And what about those of us who regularly walk our dogs early in the morning?

Spending valuable parliamentary time, newsprint and broadcast time arguing about which hour the hands of our clocks should be pointing at is not going to give us any more daylight and will do little for anyone's sanity.
Yours faithfully,
NICHOLAS BOND
Lower Quinton, Warwickshire
25 November

Waiters do not get the service charge

From Mr Michael Beckman
Sir: Hermione Ainley's letter (24 November) that tips are accepted with gratitude is fair comment, particularly when the quality of the service merits such award. However, an invidious practice has grown up in many restaurants where a "service charge" of 10 per cent is automatically placed on the bill but is never received by the staff concerned.

Historically, this item is a substitute for the gratuity roughed out at 10 per cent. Most people do not realise that this sum is grabbed by the owners (including large chains) and adds to their turnover/profits only. Customers should enquire who receives the added percentage described as "service charge" and refuse to pay if not assured that it goes for the purpose they intend, namely to the people who provided the service.
Yours faithfully,
MICHAEL BECKMAN
Widford,
Hertfordshire
26 November

We blame the social workers

From Ms Lesley Abella
Sir: If the Prince of Wales had openly expressed the belief that certain elements at a certain palace were conspiring against his well-being, would Nicholas Soames have stated that the Prince was in an advanced state of paranoia – or would he have said this really ought to be looked into properly both from the human and the constitutional point of view?

Yours sincerely,
LESLEY ABELLA
Concock, Wiltshire
24 November

Tables turned

From Mr Harold Stone
Sir: Any one block of the schools results tables falls clearly into three general categories: selective entry, non-selective comprehensive and Special Educational Needs. No one would make comparison of results between the last two.

Your correspondent Caroline Beamish (letter, 23 November) might avoid her "scepticism and irritation" were she to separate the first two, and so separate considerations of educational achievement from issues of class and affluence.
Yours faithfully,
HAROLD STONE
Wareham,
Dorset
23 November

Letters should be addressed to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity. We regret that we are unable to acknowledge unpublished letters. Back issues of the *Independent* are available from Historic Newspapers, 0800 906669.

Cheap beer and tax cuts for UK plc

The battle between Mr Brown and Mr Clarke is like a scene from Hogarth – or modern business

Every time I think about tomorrow's Budget, I think of Hogarth. In particular, I am vividly reminded of his wonderful series of canvases "An Election", which depicted the unreformed electoral system of the 18th century in all its corrupt and unprincipled glory.

It is not difficult to imagine Kenneth Clarke circa 1750. He already has the claret-filled shape of an 18th-century political hack; and, with the simplest addition of a top-hatted wig, could easily be pointed into Hogarth's hustings – leaning down from the rickety platform and bellowing to the mob below that ancient pledge, once so central to British political life: Cheap Beer!

Well, those days are back; for that, in essence, is what Mr Clarke must say on Tuesday if his party is to stand the faintest chance of victory at the next election. Of course, he will not literally offer us cheap beer. Indeed, I rather suspect Treasury pressure will prevent him from reducing the duties on alcoholic beverages by more than a penny or two. No, Tuesday's equivalent of "cheap beer" will be "tax cuts". The only mystery remaining is the form that these will take.

Nothing new in this, you may say. Aren't we all too used to Tory Chancellor manipulating the "electoral business cycle" to their party's advantage with cynically timed cuts in direct taxation? Well, yes. But in the past the Opposition has invariably denounced them for doing so. This time it will be

different. For on Tuesday, there will be another, equally bulky, equally 18th-century figure waiting on the other side of the dispatch box – and ready to match Mr Clarke tax cut for tax cut.

Gordon Brown is in some ways an even more Hogarthian figure than Ken Clarke. There was, after all, no more familiar figure in the seedy politics of the 18th-century than The Hard-Nosed Scotsman On The Make. Down they poured to London after the Act of Union, intent on carving out careers for themselves. And today, under the banner of new Labour, they pour down harder than ever.

For weeks, Mr Brown has been preparing the ground for what promises to be one of the most outrageous budget replies in the Labour Party's history. He has already flown an unusually large number of pre-Budget kites, including a windfall tax on privatised utilities and workfare for what used to be called "the underserving poor". But the kite that flew highest was his audacious proposal for a 10p in the pound bottom rate for income tax. That gives us a good indication of what Mr Brown will say on Tuesday: the moment the Chancellor slumps back on the Government front bench, Big Gordon will be on his feet ready to lead his own mob in a triumphant chorus of – "Free Beer!"

And when Mr Brown sits down, having made his breathtaking bid to undercut the Tories at their own



NIALL FERGUSON

The British left has returned snout-first to the politics of the pork barrel

game of electoral bribery, the implication will be clear. After some 200 years in which ideology has called the tune, the British left has at last returned, snout-first, to the politics of the pork barrel.

Of course, you do not have to go as far back as the 18th century to encounter this sort of thing. You only need to look at the way takeover bids are conducted in modern business. The predator takes out full-page advertisements to rubbish the existing management and to offer shareholders mouth-watering bonuses and future dividends. With glossy mailshots, the management responds in kind: the bidders are, in truth, mere asset-strippers, etc. On Tuesday, Mr Clarke and Mr Brown will be per-

forming a version of the same corporate ritual. In the language of the City pages: "New Labour launches hostile bid for UK plc."

All of which is very shocking and deplorable, no doubt. How shameful that the House of Commons – once the scene of great political battles for religious toleration, constitutional reform, individual liberty and social equality – should sink to this level of a political stock exchange.

But is it so terrible? I am actually rather delighted by Mr Brown's conversion to pork-barrel politics – although I fear it greatly increases his party's chances of winning the next election. For it means that, for the time being at least, the old ideologies that dominated the period 1789-1989 are finished and done with. Quite simply, there is no longer any point in trying to run election campaigns in the name of Liberty, Equality, Fraternity or any of the other catchphrases from the 200-year Age of Revolutions. "Rights" are out. "Interests" – plain old money-grubbing material interests – are back in.

The reason for this is simply that a consensus has been reached on all the main issues raised after 1789. The right has portrayed the result of the Cold War as a victory; but if you regard the war between conservatives and progressives as dating back to 1789, then the result has been more like a draw. In accepting democracy, conservatives have accepted an enormous shift towards redistribution of income: in

abandoning socialism, progressives have given up on the idea of forcible redistribution of wealth.

With the welfare state fundamentally intact in spite of more than 15 years of Tory government, but with Labour converted to the limits imposed on it by Thatcherism, the consensus is clear: government takes about 40 per cent of GNP in taxation, the bulk of which it redistributes through the social security, health and education departments, leaving a little left over for its old functions – defence, law and order and the national debt.

The only problem is the very old-fashioned way UK plc is run. Every adult citizen is a shareholder with voting rights which are delegated every few years to a huge and weak advisory board of MPs. Even more oddly, we pay our management the worst rates in the world (especially the poor old Chief Executive in 10 Downing Street). And the accounts of the firm are expressed in an anachronistic language which no serious businessman would put up with. If you discussed the affairs of a major corporation in the way the Chancellor will discuss those of UK plc tomorrow, the most docile shareholders would revolt.

So my advice to Mr Brown is this. Go for pork-barrel politics by all means. But go forwards instead of backwards for inspiration. Instead of the style of William Hogarth, adopt the style of Michael Milken – and turn the next general election into the mother of leveraged buyouts.

Leading blights of Burma

Earlier this year I was offered a good sum of money by a travel firm to write a piece about Burma. Not only that, but I was offered a free flight out there and a cruise up the Irrawaddy. All I had to do afterwards was extol the place as a tourist destination, while carefully avoiding the political overtones.

The reason they had approached me rather than someone else was not hard to guess. In 1987, I had gone to Burma with a BBC film crew to make a programme called *The Burma Road* in the "Great Journeys" series. I had fallen in love with the country. I had written glowingly about the place and the people. Who better, the travel people must have reasoned, to send out as a herald for the tourist invasion?

The travel people may not have noticed that while I liked the place, I hated the government. Burma has been under the foot of a grim regime for as long as most people can remember, a corrupt and greedy regime of thugs who have crushed racial minorities, bled the economy dry and murdered students and monks in large numbers whenever they have protested; they were doing so before Tiananmen Square set the fashion. The Burmese regime combines the less attractive characteristics of the Chinese government at its most bully-boy and a pseudo-fascist Latin American dictatorship.

The reason I turned down the invitation to have a free trip and write this piece was partly honourable (to avoid encouraging the Burmese regime) and partly cowardly (to avoid getting anywhere where the Burmese regime, who might have read what I had written about them, could give me a hard time). But the one thing, more than anything else, that convinced me I should boycott the place was a chance encounter last year with someone from Burma who had lived at Pagan.

Pagan (pronounced Pa-GARN) is the most amazing place I have ever seen. It was, once, a flourishing medieval city on a plain beside the Irrawaddy River, full of shops, temples, palaces and houses. Centuries ago, everything was destroyed except the temples, leaving a gigantic chess board of brick and stone pyramids, stretching for miles between the river and the hills.

Here and there among the temples small villages formed, where farmers and merchants crept back into the deserted city to set up their small colonies. I can remember climbing the main pagoda in the village of Pagan to survey the great plain as the sun came up over Burma, and being

equally surprised by the sight and by the sounds. I had expected the world at the top of a pagoda to be tranquil, but I had forgotten that sound travels well upwards, and up there on top of the temple I could hear the whole village beneath me – the dogs, the shouts, the creaking of cart wheels, the singing, the crackling of fire. The effect of a lived-in monument was heady.

Not any more, said my contact from Pagan. To keep it clean and pure for the tourist trade, that village has been swept away. It has vanished. The inhabitants have been forcibly moved away from their riverside home to a dusty desert miles away and left to rot. Things have been done to these people as bad as anything in Bosnia, the difference in Burma being that the government is doing it to its own people. Not ethnic cleansing but touristic cleansing.

All this was unpleasantly



MILES KINGSTON

confirmed for me on Radio 4 last week, on the excellent programme called *Costing the Earth*, in which the programme's correspondent revealed that this clearance is now going on in Rangoon itself, where whole areas are being knocked down to make room for four-star hotels, and the people are being thrown out of town. Gangs of slave labour are being forced to clean out the vast moat of the Palace of Mandalay.

There was a time when the Burmese discouraged tourism, but now they have discovered the quick profits to be made from it, as they previously discovered the profits to be made from flogging off their jade, teak and oil. So the thugs in charge of Burma have proclaimed that this should be "Visit Burma Year" and have started tossing out blandishments to travel firms, which led, I suppose, to my invitation to visit.

The ironic thing is that the programme we made in 1987, *The Burma Road*, told the grim story of how the Chinese used slavery and forced labour to build the Second World War supply route into China. Today, the Burmese government is doing the same thing to its own people.

Ladies and gentlemen, I give you the toast – make 1996 "Avoid Burma Year".

Ireland's people have shown that they want to move forward, but cautiously, says Conor Gearty

When church and state divorce

The separation between church and state in Ireland, for so long merely theoretical, has finally ended in divorce. Friday's vote to remove the country's constitutional prohibition on divorce may have been the narrowest of margins, but government by referendum allows no middle ground between victory and defeat, and the change will have as much constitutional and legal weight as if the vote had been unanimous. The significance of the result extends far beyond its subject matter. Since the adoption of Eamon de Valera's new Irish constitution in 1937, the country has ostensibly enjoyed secular self-government in the Anglo-American democratic tradition. Though never designedly a theocracy, the divorce prohibition was only one of several clauses that recognised (in the words of one provision not removed until 1972) "the special position" of the Catholic Church in this new independent Ireland.

In the decades that followed 1937, lay politicians might have seemed to be driving this new vehicle of state in accordance with the democratic wishes of all its passengers, but this was only because the church was choosing their route. This entirely suited the bishops: why go to the bother of driving when the people could be relied upon to elect professional chauffeurs? What the church desired was legislated into life; what it disliked quietly disappeared. Its hold on the Irish imagination was such that no coercion was required: the legislators, being good (and therefore obedient) Catholics, could not help themselves from translating the Catholic Church's will into law.

This arrangement had begun to fray well before this weekend's result. In 1973, Ireland entered the European Community, with all its Godless Catholic countries to provide a bad example. The following year, in a decision with momentous implications at the time, the Supreme Court struck down a law that banned the importation of contraceptives. The pace of reform increased in recent years, with the Irish Parliament recently enacting liberal gay laws that would have been unthinkable only a decade before.

Despite such changes, the divorce referendum was still pivotal because it was the first opportunity for the people themselves to adjudicate in a clear contest between church and state. Earlier referendums in the Eighties on abortion and divorce had been muddied by splits in the political ranks as to the right stance to adopt. But for this referendum all the mainstream political parties were firmly in favour of change. So were most of Ireland's national newspapers, and almost all its



Counting the cost: to win by 9,000 votes on a turnout of 1.5 million voters is hardly a clear political mandate for change Photograph: Eamon Farrell/PhotoCall

cultural and artistic celebrities. It was a case of the church and Ireland's "cultural defenders" against the rest, with the church being additionally handicapped by the succession of scandals that have swarmed around it in recent years, further emasculating its already shrinking authority. In fact, so disgraced are the bishops in Ireland that the anti-divorce groups operated almost entirely independently of them, and their hardline intervention was thought even by those who opposed change to have been uniformly counter-productive.

In view of all this, the really interesting question is not why Ireland voted yes, but why it so nearly voted no. Of course, the defenders of the status quo had simplicity on their side. It is far easier to shout "Save the family" at a political rally than it is to explain why you want people to be free to do something you admit you see only as a last resort and which you probably disapprove of anyway. Also, in the last few days of the campaign, the anti-divorce groups played a legal card to great effect, arguing that the change was certain to have momentous implications for the property rights of "first families", something that was strongly but not necessarily

effectively rebutted by the government. Nevertheless, whatever one argues about its legal and constitutional authority, to win by 9,000 votes on a turnout of more than one and a half million voters is hardly a clear political mandate for change.

As the campaign progressed, divorce became less a tangible pro-

There is genuine and profound concern at drifting into a culture that is free of ethics

posal than a linguistic battleground over which to fight for a nation's soul. The paradoxical consequence of Friday's near electoral stalemate is the delivery of a clear, albeit negative, message as to how the Irish people do not want the future to develop. On the one hand, there is clearly no stomach for a nostalgic drive into the cruel, stifling certainties of the past. On the other, there is genuine and profound concern at drifting into a culture that is as free of ethics and moral responsibility as it

is of authoritarian priests and nuns. This was no Irish vote for the Sixties, three decades after the event. The voters showed that while they wanted to put the church in its place, they were quite certain that it had a place.

Despite all the scandals and disgrace that surround it, the Catholic Church remains absolutely central to Ireland's sense of itself as a nation, as a place where respect for others, whether they be in the family, the parish, the village or even the city, continues to weigh just as heavily as the more Protestant sentiment of individual autonomy. In its richest manifestations, the church stands for a vision of a society that is caring, charitable and solicitous towards the poor. As Ireland hurtles towards the present, a league of nations, with a fast growth rate, low inflation, falling unemployment and the EMU club beckoning around the corner, this church-inspired vision of itself is a comforting guarantee that not everything has to change. As Britain and other Western nations experiment with communitarianism and other ideas, in an effort to fill the moral vacuum at the heart of their societies, the Irish have shown themselves too sensible casually to dispense with their home-grown version

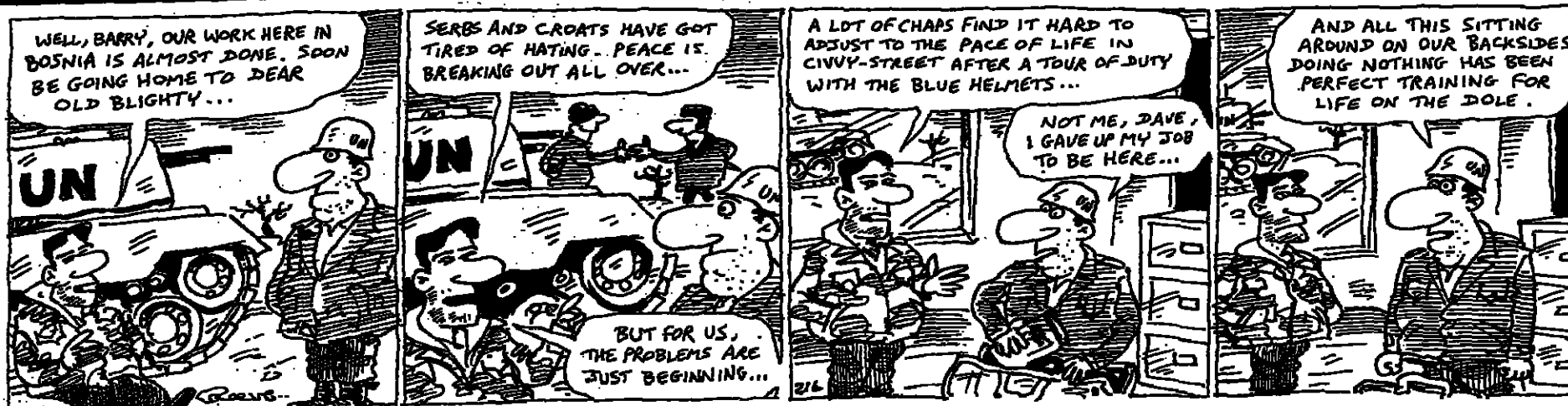
of that which other countries are now so desperate to invent. It is this that makes so heartbreaking the tragically bad leadership that the Irish church has had to endure for so long, with endless middle-aged episcopal dullards pontificating on women and sexuality when far better and more enduring messages lie readily to hand, and when far better and more intelligent men and women stand ready to deliver them. If only the bishops were as intelligent as the flock they try so unsuccessfully to Hector.

The result of the referendum means that it is the church, rather than the Irish people, which is at a crossroads. The Irish are determined to advance, with the church preferably, but without it if necessary. It is the church that must now decide whether it wants to be the spiritual partner in new Ireland's experiment with the future or whether it is content instead to be an irrelevant, negative presence on the sidelines, ignoring the positive aspects of change but croaking "I told you so" at every misfortune on the route.

The divorce between church and state may have finally come through, but a better governed, more humble and more human church could still win custody of the nation's soul.

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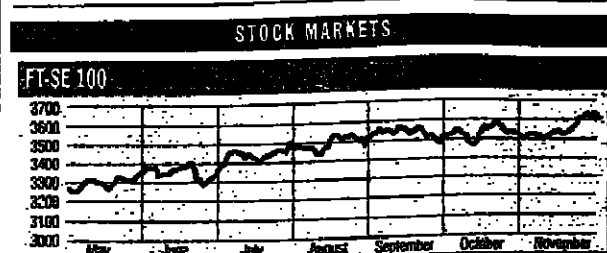
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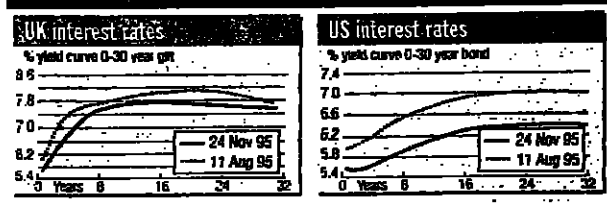
Index	Close	Week's Chg	Change (%)	1995 High	1995 Low	Yield (%)
FTSE 100	3624.0	+14.8	+0.4	3632.40	2954.20	3.95
FTSE 250	3942.8	-21.7	-0.5	3981.30	3300.90	3.49
FTSE 350	1787.5	+3.6	+0.2	1801.80	831.00	3.85
FT All Share	1949.5	-4.5	-0.2	1993.1	1676.61	3.33
New York	5048.8	+58.8	+1.2	5048.84	4893.70	2.35
Tokyo	12215.2	+84.0	+0.7	12684.04	11445.41	0.82**
Hong Kong	9488.8	+200.9	+2.2	10032.93	9248.5	4.06**
Frankfurt	2188.2	-31.0	-1.4	2317.01	1910.85	2.05**
Paris	1890.9	+0.5	+0.0	2017.27	1700.58	3.91**
Milan	5078.0	-14.0	-0.3	5971.00	4922.00	1.82**

**FTSE World Index Yields

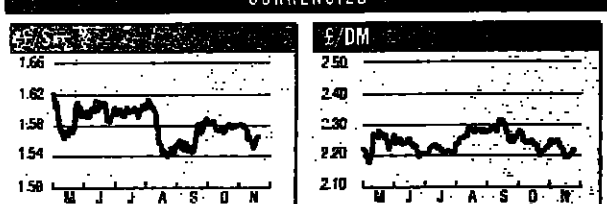
MAIN PRICE CHANGES

FT-SE 350 companies							
Rises - Top 5			Falls - Top 5				
	Price (p)	Week's Change (p)	% Change		Price (p)	Week's Change (p)	% Change
Fortis	345	84	24.3	De La Rue	713	196	27.5
Ladbrokes	148	21	14.2	Powell Duffryn	467	110	23.6
Savoy Hotel	1025	142	13.9	Inchcape	245	52	21.2
Trafalgar Hse	24	2.5	10.4	Vodafone	2175	33	15.2
QRE	258.5	24.5	9.5	Hazlewood Fd	86	13	15.5

INTEREST RATES



CURRENCIES



Pound vs.	Close	Week's Chg	Tr. Yr. Ago	Dollar vs.	Close	Week's Chg	Tr. Yr. Ago
\$ (London)	1.5608	+0.007	1.5601	£ (London)	0.6427	-0.35	0.659
\$ (NY)	1.5605	+1.75	1.5625	£ (NY)	0.6429	-0.70	0.659
DM (London)	2.2108	-0.001	2.2108	DM (London)	1.4985	1.70	1.5698
Yen (London)	168.8	-0.052	168.8	Yen (London)	67.35	-0.081	67.7
£ Index	83.00	+0.1	82.8	\$ Index	93.0	-0.1	95.6

OTHER INDICATORS

Close	Week's chg	Year Ago	Index	Label	Tr. Yr. Ago	Next Sign
Oil Brent \$	33.79	-0.14	17.8	RPI	149.8	+32.2pc 24. 14 Dec.
Gold \$	383.60	-2.90	384.95	GDP	106.6	21.1pc 43. 21 Dec.
Gold £	245.77	-3.23	245.021	Base Rates	-	6.75pc 5.25

IN BRIEF

Electronics wins bank paper chase

Electronic transactions overtook paper in the UK high street banking sector for the first time earlier this year. According to analysts at Merrill Lynch, volumes of paper such as cheques now account for 46.9 per cent of the total, down from 50 per cent at the start of the year. The investment bank forecasts that for 1995 as a whole there will be 2.1 billion paper transactions and 2.3 billion electronic. A 4 per cent erosion in "market share," as reported for paper transactions, means a switch of 174 million transactions from paper to electronic. The accelerating shift towards electronic transactions at automated tellers and their like is expected to lead to further large job cuts as banks continue to trim costs.

Signet denies talks with Ratner

Signet yesterday denied that it had held any discussions with ousted chief executive Gerald Ratner about selling parts of the jewellery group. Mr Ratner, whose name the group once bore, is reported to be attempting to line up venture capital backing to buy back the Ernest Jones and H Samuel chains. He is also said to be seeking a strong City name to act as chairman, acknowledging that he could not raise the necessary capital on his own.

Crucial Littlewoods meeting tomorrow

The future of the Littlewoods football pools and retail empire could be decided tomorrow at a crucial meeting of the 32 Moores family shareholders who control the group. The two-day gathering will decide whether to progress the planned £1.2bn bid from former chief executive Barry Dale. It comes ahead of next week's emergency shareholders' meeting where Mr Dale will need a majority vote to gain access to the books and turn his indicative offer into a full-scale bid.

Welsh Water poised for Swalec strike

Welsh Water is thought to be poised to launch its long-awaited bid for Swalec this week, valuing the regional electricity company for South Wales at about £800m. On Wednesday, Welsh is expected to attempt to win a board recommendation from Swalec, but is set to press on with a hostile offer if it is rejected. The bid would value Swalec shares at around 860p.

£375m offer expected for Amec

The triangular bid moves surrounding Amec, the UK construction group, are expected to see the Norwegian group Kvaerner pitch in with an offer worth £375m either today or tomorrow. The 100p bid for the ordinary shares would be at the same price as last week's down raid that netted Kvaerner 10 per cent of its target and is likely to be in cash. The move will force Amec to work hard to convince the City that its all-paper offer for rival contractor Alfred McAlpine, launched on Friday, makes sense. Amec's defence will argue that analysts' forecasts of £25m profits for next year are too low and that overseas contracts have yet to show their potential.

Cadbury most admired company

Cadbury Schweppes has overtaken Rentokil as the company most admired by Britain's top-ranking executives. At the other end of the spectrum, Trafalgar House in 250th place and Eurotunnel one notch above, vie with each other as the most despised. The rankings come from the latest annual survey by *Management Today* magazine in conjunction with Loughborough University Business School, which asked senior managers to rank their peers.

£20m value placed on drugs firm

PolyMASC Pharmaceuticals is to be valued at around £20m when it comes to the Alternative Investment Market. The company is to raise roughly £5m from an offer of about 25 per cent of its shares. The main products are polymer coatings used for existing drugs.

Markets expect Clarke fireworks

DIANE COYLE
Economics Correspondent

Expectations are growing that Kenneth Clarke, Chancellor of the Exchequer, will deliver a dramatic Budget when he stands up in the House of Commons tomorrow, despite behind-the-scenes attempts last week to play down the size of tax cuts.

Nick Knight, a prominent City of London strategist at Japanese bank Nomura, said: "What would be the point of fudging what could be his last Budget? He will be bold one way or the other."

Financial markets firmly expect both tax cuts and a fall in interest rates in the weeks after the Budget.

This has already cut interest rates paid in the money markets, which led Halifax Building Society to reduce its rates on investment accounts on Friday - a move that usually precedes a drop in base rates.

Other City analysts warn, however, that the Chancellor faces the risk of a run on sterling if financial markets think he is giving away too much on taxes. The pound weakened sharply a fortnight ago after "authoritative reports" that tax cuts would amount to £5bn. Sterling has recovered only in the past few days due to market perceptions that the Treasury was trying to scale back expectations.

Neil MacKinnon, chief economist at Citibank investment

bank, said: "Tax cuts without spending cuts would not go down at all well."

The reaction by financial markets to the Budget is crucial. It will be the deciding factor in whether there is room for a fall in the 6.75 per cent base rate and in mortgage rates.

Bijal Shah, an economist at Smith New Court, said: "Lower mortgage rates are the best way to put money into people's pockets."

The market reaction is likely to be mixed, analysts said yesterday. David Owen, at Kleinwort Benson said expectations about the scale of tax cuts had been building. "There is a lot of room for disappointment."

Corey Miller, a strategist at Société Générale, said there was

a high degree of optimism about the Budget, but it had already been priced into the stock market.

Kevin Darlington, at brokers Hoare Govett, said financial markets were likely to give the Chancellor the benefit of the doubt immediately after the Budget. "But over time they could regurgitate what they might swallow instantaneously."

Hopes for reductions in personal taxes that would come into effect next April range widely, from £2bn-£10bn with a cluster around £3bn. Income tax reductions are firmly expected, with 1p off the basic rate seen as the most likely option. Mortgage lenders still hold out some hope for a package to stimulate the housing market - perhaps

the abolition of stamp duty - despite recent City optimism about house prices.

Health and education will be shielded from the spending axe. This is likely to cut most heavily into capital expenditure, especially the roads and housing programmes. The Government is likely to announce a greatly expanded Private Finance Initiative to fill this gap.

Some £3bn may be found from the normal reduction in the contingency reserve - funds set aside for unforeseen spending, which are always cut as the financial year to which they apply draws nearer. Other departmental spending plans, such as defence and trade and industry, will also be cut back to offset tax cuts.

There are fears in the City that the Chancellor could also announce tax increases to make the public finances add up in a way that will keep sterling out of danger. A higher insurance premium tax is seen as a front-runner, while higher taxes on the privatised utilities cannot be ruled out.

Richard Kersley, equity strategist at BZW, said: "The market has focused on likely winners. People have not paid attention to the fact that a broadly neutral Budget would create as many losers as winners." He said that attention was likely to switch to the opinion polls and Labour Party policies as soon as this year's Budget was out of the way.

Gavyn Davies, page 19

Watchdog warns on British Gas upheavals

MARY FAGAN
Industrial Correspondent

Clare Spottiswoode, the gas industry watchdog, has warned of the damaging effect of boardroom upheavals at British Gas on communications with the regulator and on the company itself.

Ms Spottiswoode has already told Richard Giordano, chairman, of her concern and is expected to raise it again at a meeting tomorrow, primarily intended to discuss the future of Transco, the company's pipeline subsidiary.

Ms Spottiswoode feels that on some important issues it is not clear who, on the British Gas board, has responsibility, and who she should talk to. The problem is thought to have become worse since last month's sweeping boardroom changes that left Cedric Brown, chief executive, as the only member of the old guard.

Ms Spottiswoode said: "Mr Giordano has been there for two years, three executive directors have gone and only one replacement made. I sincerely hope they get it sorted out."

Her criticism comes amid big changes in the industry. Ofgas is in the throes of deciding how to regulate the British Gas pipeline - the company's main asset and one its rivals need to use. The watchdog is also consulting on the future price control for domestic consumers after the present price formula expires in 1997.

The board shake-out - the biggest since Mr Giordano became chairman in January 1994 - included the abrupt departure of Russell Herbert, the 51-year-old executive director with responsibilities including the global gas business. His duties have been assumed by Stephen Brandon, who recently joined the board from General Electric of the US.

It was also announced that Howard Dalton, who has responsibilities including exploration and production, would retire "in due course". Norman Blacker, whose duties cover Europe and the UK gas trading operations, resigned as executive board member this month.

Ms Spottiswoode also holds the view that competition should help not only UK gas consumers but the company itself - making it stronger and more robust to compete in the global marketplace.

"It is taking a long time. The company has had huge challenges to cope with and is responding well. But we do not yet see a world-class company emerging," she said.

British Gas is struggling to fight its way back into the nation's favour after a year of public relations fiascos. The group has been at the centre of controversy since it was revealed last November that Mr Brown's basic pay had been increased by

75 per cent to £475,000.

The demise of British Gas's reputation from one of being highly regarded by the public has astonished the City and is thought to have dismayed the regulator.

It is being forced to restructure to prepare for competition in the domestic gas market from next spring - a timetable imposed by the Government that has been widely, but quietly, criticised as being too tight. The resulting upheaval caused a deterioration in some service standards and unhappiness among many customers.

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Clare Spottiswoode: wants to know who is responsible

'£6m payment' renews fat-cat row

MAGNUS GRIMOND

The Labour Party yesterday used an alleged £6m payment to Ray McEnhill, former chief executive of the privatised coach group National Express, to reopen its attack on the Government's privatisation programme.

The money, said to have been paid by a former business associate, would make Mr McEnhill the wealthiest executive yet to emerge from the privatisation process. It is set to revive the storm over "fat cat" directors of former nationalised companies.

Alistair Darling, Labour's spokesman on the City, said: "I

think the public will be astonished that there is so much cash floating around the privatised utilities. It confirms the suspicion that they were privatised at knock-down prices, rather than that they have been highly successful trading entities."

Mr McEnhill is said to have received the money last year as a "thank you present" from Dawson Williams, a former business partner. Mr Williams is now chairman of British Bus, the Salisbury-based bus group whose stock market flotation has been delayed by a Serious Fraud Office investigation into its bankers, Bank of Boston.

The two men, with Adam Mills, deputy chief executive of

National Express, were the moving force behind a £10m management buy-in at National Express in 1991. As part of their Drawlane group, National Express was turned round into profit and brought to the stock market in December 1992. But it was thought that certain bus interests acquired by Drawlane would not achieve the same rating as the National Express long-distance coach operations.

As a result, Mr Williams parted company with his former partners, taking the Drawlane bus interests with him to form the basis of what became British Bus and Mr McEnhill gave up his stake in the company for "a

few pounds".

Last year Mr Williams netted a profit of £9m on selling part of his stake in British Bus to venture capitalists. He is thought to have made the £6m payment to Mr McEnhill to thank him for standing by him in tougher times. An adviser said yesterday it was "entirely within his character" for Mr Williams to make such gestures. It is understood that the transfer did not result from any written contract.

National Express had no comment to make yesterday about the payment to its former chief executive, which it said was "a personal matter between Mr McEnhill and Mr Williams".

Lord Forte stands aside in bid battle

JOHN SHEPHERD
and MATHEW HORSMAN

Lord Forte is to take a back seat in the Forte company's defence against Granada's hostile £3.3bn bid, which threatens to push one of the UK's biggest family business dynasties into the shadows.

The 87-year-old Lord Forte of Ripley, who built up the family ice-cream parlour business into the largest hotel company in the country, will stand aside, leaving Sir Rocco, his son, to take the lead in meetings of the full board and with the company's advisers.

Lord Forte, who celebrated his birthday yesterday, stepped down from day-to-day involvement in the company's affairs a couple of years ago but remains life president and still attends board meetings.

A spokesman for Forte confirmed yesterday that "Lord Forte will not be directly involved. He wants to leave Rocco to run the show."

The leading family members have clearly shown that they will not see the business dynasty crumble without a tough fight. Sir Rocco has fired off a salvo

of personal attacks against Gerry Robinson, chief executive of Granada, since the bid was launched last Wednesday.

There were signs over the weekend, however, that the two sides were aiming to calm things down. Mr Robinson said yesterday: "We want this bid to be depersonalised. We are bidding for a public company."

A spokesman for the Forte camp backed Mr Robinson's call to end the personal mudslinging, adding: "Of course, there has been a degree of anger."

Lord Forte believes the company can remain independent and added: "We don't need [a white knight]. We already have a knight, my son Rocco."

Mr Robinson said: "The issue is very straightforward. Forte has failed its shareholders on every measure over the past five years. Suddenly they are talking about brands, new management and board changes... but it's too late."

Leisure analysts believe that Forte will have to devise a radical defence plan to beat Granada, even though the City believes that the television com-

Five year trading performance

	1994/95	1993/94	1992/93	1991/92	1990/91
Year	£m	£m	£m	£m	£m
Turnover	1,789	2,106	2,721	2,662	2,641
Pre-tax profits	127	111	153	49	176
Net borrowings	1,577	1,684	1,722	1,704	1,436
Shareholders' funds	2,462	2,352	2,718	3,020	3,052
Earnings per share	10.1p	9.0p	12.7p	3.0p	17.2p
Dividends per share	7.5p	7.5p	7.5p	9.91p	9.91p

	1994/95	1993/94	1992/93	1991/92	1990/91
Year	£m	£m	£m	£m	£m
Turnover	2,381	2,098	1,615	1,340	1,364
Pre-tax profits	351	265	176	115	(110 loss)
Net borrowings	342	293	402	219	262
Shareholders' funds	584	502	464	562	528
Earnings per share	39.1p	32.0p	24.8p	15.9p	(28.8p)
Dividends per share	11.75p	10.0p	8.75p	7.7p	7.0p

pany has not yet put a high enough offer on the table. Forte's five-year financial record displays several recessionary scars. Profits have been up and down like a yo-yo, and shareholders suffered a dividend cut three years ago and no increase since.

In contrast, Granada has grown profits in each of the past

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INSTRUMENTS FOR PROFESSIONALS



GAVYN DAVIES

The bad news is that the pervading sense of pessimism in the economy, especially in the consumer sector, could make firms unwilling to hold stocks in the hope that final demand may eventually revive.

Politics points to the wrong Budget strategy

When Norman Lamont announced in 1993 that the traditional spring Budget date would henceforward be moved forward to November, I was one of the few people who thought this was a bad idea. I still do. Although there is the superficial advantage that tax and spending plans are now announced on the same day, it is hard to understand why this is thought crucial.

A much more important principle is to take economic decisions at the last possible moment from an administrative point of view, so that policy can always incorporate the most up-to-date information. Under the new arrangement, tax plans are announced four full months before they need be and, in those four months, much can change. The unnecessary four-month lag is particularly important this year, since there is a severe risk that the behaviour of the economy could change markedly over that period.

Not that the Budget documentation will recognise this risk. It is usually quite easy to forecast what will be contained in the Treasury's forecast. Tomorrow's official view is likely to show real GDP growth of 2.5 per cent in 1996, with underlying inflation at the end of next year also at 2.5 per cent. But while this will be the central expectation, it has probably been entered into the Budget Red Book with a rather shaky hand by Alan Budd and his Treasury team.

The problem is that output growth may be about to take a severe dent from a sharp turnaround in the stock-building cycle. Goldman Sachs has just downgraded its 1996 GDP forecast from 2.7 to 1.7 per cent, and many other forecasters are probably just on the point of doing something similar.

A serious setback to activity would catch politicians on both sides of the fence unawares. It is my strong impression that Westminster is basically assuming the economy is performing well, and that it will continue to do so right through to the election. All hell would break loose in the Tory Party if there were a prolonged period of rising unemployment during the winter. This is no longer a remote possibility. At minimum, the next few months could see some really gruesome manufacturing output figures. As this column pointed out last week, the word from firms in continental Europe has become increasingly grim in recent weeks, and this is bound to impact UK export sales soon.

Much of the downturn in European activity has stemmed from the inventory cycle, and the same is now true of the UK. During 1994, when Britain's GDP grew by 4.3 per cent, the accumulation of stocks was responsible for about a third of this growth.

At that stage, companies were eager to build stocks for two reasons. First, there were fears of continuing rises in commodity prices, so companies decided to stockpile primary goods. Second, there was increasing confidence that final demand would accelerate in 1995, and companies began to build up stocks of finished goods in anticipation of rising sales. In the first half of 1995, changing perceptions about commodity prices and final demand caused firms to rethink stock levels: ever since, they have been trying to reduce the quantity of goods on the shelves.

Unfortunately, they have not yet succeeded. Over the past year, the level of stocks has actually risen by 4.4 per cent, more than double the rate of growth in output. As a result the stock/output ratio has risen in a worrying fashion. For example, in manufacturing, the stock/output ratio has risen by 4.1 per cent in the past 12 months, compared with a long-term trend decline of 2-3 per cent

a year. Most recently, things have become even worse. During the third quarter, the rise in stocks accounted for the whole of the 0.4 per cent increase in GDP. Other components of demand contributed nothing at all.

A rise in the stock/output ratio is quite normal in the upswing phase of the cycle. But the CBI survey, and other business surveys, are clearly showing that companies are increasingly eager to get rid of these excess stocks. The November Monthly Trends Enquiry by the CBI recorded a balance of 18 per cent of companies saying the stocks of finished goods are too high, against 6 per cent in the spring.

More worrying still, the gap in the CBI survey between what firms say they want to see happening to stocks in future, and what has actually happened, is even higher than it was when the economy entered recession in 1990. This suggests a near-record build-up of unwanted inventory. It is anyone's guess how fast these excessive goods on the shelves will be whittled down to more normal levels. If companies expect 1996 to be a good year for sales, they may be tolerant about the current level of stocks. If they begin to doubt the sustainability of growth, they might decide to curtail stocks rapidly, and they could only do this by slashing output for a while.

What is a reasonable central estimate of the speed of this adjustment? The good news is that companies have a strong cash flow position and the cost of financing stocks is not excessive.

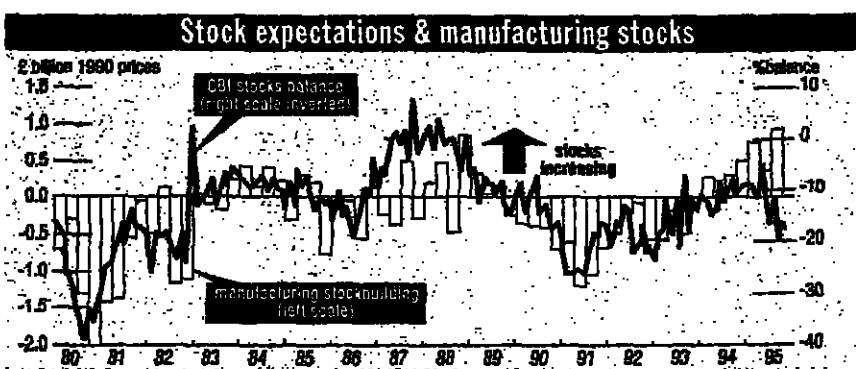
The bad news is that the pervading sense of pessimism in the economy, especially in the consumer sector, could make them

unwilling to hold stocks in the hope that final demand may eventually revive. According to the new Goldman Sachs forecast, the most likely out-turn is that the decline in stocks will reduce the growth rate of GDP by about 1 per cent on average in the 1996 calendar year, and by somewhat more in the next six months. Like all forecasts which are crucially based on a guessimate of how stocks will behave, this projection should be seen as having a particularly wide margin of error. But the chances of a period of declining output in the manufacturing sector, with a clear renewed rise in unemployment, are definitely rising.

It would still be surprising if this turned into a serious recession, but policy now needs to take account of this possibility - especially since the drop in manufacturing activity will greatly increase the chances of the Government hitting its inflation target in two years.

In the absence of an impending election, the correct macro-economic strategy would be to leave the overall level of personal taxes unchanged; to increase public spending on the infrastructure, taking advantage of the slack in the construction sector; and to reduce interest rates for the duration of the stock shake-out, probably increasing them again in 6-12 months.

Sadly, political imperative points to the opposite - personal tax hikes, financed by further cuts in public infrastructure spending, and with a path for the PSBR that will make interest rate cuts harder to achieve than they need be. But then no one ever said that good politics and good economics need always coincide.



Wealth warning: The invasion of London by foreign banks has significantly raised the level of strategic influence they wield

EMU key to City's future

The City will suffer if Britain stays out of European monetary union. The warning is delivered with a faint smile, but Ronaldo Schmitz's words carry cold calculation. "We would not anticipate a major shift of business out of London, at least not in the short term. But things will be much easier if the UK joins, because we shall not have to review our decisions, strategy and policies."

Mr Schmitz, 57, chairman of Deutsche Morgan Grenfell and board member of Deutsche Bank, is one of the growing band of senior foreign financiers who have lately adopted London as the centre of their investment banking operations. Their influence is for the most part still discreet, but increasingly powerful within the changing landscape of the City.

Deutsche's decision last year to centre its global investment banking operations in London around Morgan Grenfell, which it had bought at the end of the Eighties, marked a watershed for Germany's most powerful financial group. All the large German banks have followed suit.

A potent combination of fate, in the case of Barings, and remorseless competitive pressures from big-balance sheet houses, has seen an unprecedented number of British merchant banks, the leading broker and a fund manager, fall to the foreign invaders. Their significant investments have bolstered London's position as Europe's financial capital. But the size and speed of the shift in the balance towards foreign ownership

has fuelled concerns about who controls the City's future, should circumstances change.

EMU could be one such event. Deutsche took its decision to focus on London well aware of Britain's Euro-angst, but confident that, as has usually happened in the past, it will not want to be left out. "I think the process under way in the City will also play a role in defining the UK's attitude towards EMU," says Mr Schmitz.

Deutsche put immense efforts into building up Frankfurt as its investment banking centre. But by 1994 it finally conceded it could not work, a decision whose implications reverberated throughout the German business establishment.

"Investment banking is, culturally speaking, an Anglo-Saxon business, driven by impulses from the most inventive financial culture in the world, New York. In building our operation,

'When we saw the opportunity, we grabbed'

we realised the importance of using elements from an investment bank, Morgan Grenfell, and not those from the bureaucracy of commercial banking.

"It is also easier to speak English in London than Frankfurt, and to attract the talent that is crucial if you want to grow quickly."

THE MONDAY INTERVIEW RONALDO SCHMITZ

With acquisitive foreigners still rustling their chequebooks around the City, those alarmed that Britain is losing control of its financial capital are unlikely to find comfort. But with that cultivated internationalism and fluent mid-Atlantic English typical of so many top German businessmen, Mr Schmitz, who spent several years in New York for his previous firm, the chemicals giant BASF, feels chauvinism has little place any more in truly global markets. "In the old days the customer paid a lot of attention to where a product came from. 'Made in Germany' was important. But the Japanese were the first to convince consumers that it is not important where something comes from, but the brand quality."

He added: "The great advantage of Britain is that it has traditionally been good at absorbing elements, capital or people, from the outside, and making them feel part of the establishment, integrating them for the benefit of the country. In 10 years, this latest foreigner influx into the City will have been shaped along Anglo-Saxon traditions and lines, and with it the influence emanating from London will increase."

But even if belatedly, corporate Germany has been changing too, waking up to the cost advantages of producing abroad and raising finance on international capital markets. This has

forced once conservative banks like Deutsche to seek foreign postures and inspiration.

Having sat around doing little with Morgan Grenfell for several years, Deutsche's decision finally to use London as the springboard for its ambitions to be in the premier league of global investment banking powerhouses unleashed a dash for growth that has frayed not a few tempers in the City. Since the beginning of the year, Deutsche Morgan Grenfell has hired 120 people, most of them in London, and many of them heavy hitters. Complaints from rivals about excessive chequebook poaching grew louder. "When we first made our announcement in October 1994 about investment banking, we could not have realistically entertained the ambition to hire 120 people. But then things in the market happened that tended to facilitate matters. When we saw the opportunity, we grabbed," said Mr Schmitz. "We strongly resist the chequebook accusation."

Not all has been sweetness and light back in Germany, as the big egos of the investment banking world, and their infinitely higher remuneration packages, clashed with the staid hierarchies of Frankfurt. Resentment was rife. But Deutsche had made its choice. "It was impossible to build an investment bank and maintain

the German remuneration system, so we put the Frankfurt investment bankers on a more adequate compensation. But there were other shocks. You are not just talking about introducing different cultures, but also very different skill levels, people who are used to working at very high, demanding levels."

In its global ambitions, wanting to measure itself against the Wall Street giants, Deutsche is far from alone. Its domestic rival, Dresdner, wants to do the same with the help of Kleinwort Benson. Then there are SBC Warburg and UBS, ING Barings and ABN Amro, not forgetting the British contingent of NatWest Markets, BZW and HSBC.

All are regrouping in London for the assault. But they cannot all succeed in a such a ferociously competitive business.

"You need three things to win. A top rating, a strong capital base, and talent. Since we have the first two, we have been concentrating on skills." Moreover, it is not a battle of equals in Mr Schmitz's view, because of the vital importance of the client base. "Deutsche Bank has traditionally been close to the big corporations of the world. We can tap into this strong position. The British banks, too, have traditionally had international corporate relationships. But the Swiss, the Dutch and the French don't have this. It is very tough to break into new clients."

John Eisenhammer



Power shift: Ronaldo Schmitz, chairman of Deutsche Morgan Grenfell

Wu do you think you are kidding?

It was typical of the flamboyance of Hong Kong businessman Gordon Wu to make a record-breaking donation of \$100m (£64m) to Princeton University recently. It was equally typical, say his critics, that he arranged to pay the money in stages and that there was some small print about matching donations before the full amount was paid.

Mr Wu has a habit of doing things in stages and a habit of being passed without fulfilment. None of this, however, has dissuaded bevy of fund managers, bankers and fawning journalists from beating a path to his door. He has presented himself as a visionary, the man who really understands Asia's infrastructure needs and has found a way for the private sector to work with governments in meeting their requirements, without having to dip directly in the national coffers.

His flagship company, Hopewell Holdings, was popping up all over Asia, announcing deals to build power stations, roads and all manner of other projects. At first Hopewell's focus was on China, then it moved south to parts of South East Asia and then north to India and Pakistan.

The newspapers were filled with pictures of a smiling Mr Wu in the company of political leaders whose countries were about to receive the benefit of a Hopewell scheme. Gradually

He's full of ideas for solving Asia's infrastructure problems. But can he turn them into reality?

the pictures of smiling faces gave way to reports of bitter disagreement between Hopewell and practically all his Chinese joint venture partners. In the Philippines power projects were mired in litigation, and in Thailand the government became so fed up with delays to Mr Wu's road, rail and mass transit project that the deputy prime minister, Thaksin Shinawatra, publicly described Hopewell as "Hopeless Holdings".

Name-calling is one thing, a collapse of Hopewell's share price is another, more serious matter. More than 40 per cent has been wiped off the price of Hopewell's shares since their high point this year.

It has taken time, and the release of some disturbing figures, for investors to finally realise that Mr Wu talks a great story but rarely delivers. One of his better stories concerns the turnkey project to build a so-called "super-highway" from the Hong Kong border to the Chinese regional capital of Canton. Mr Wu first told his shareholders that HK\$9.4bn (£780m) had been budgeted for the highway's construction. He has now revealed that another HK\$3.4bn (£244m) is required. Cost inflation does not, however, end there; the second phase of the project remains un-

completed and it is almost certain that additional funding will be required. Some Hopewell watchers believe that the total cost will end up being around double the sum budgeted. Not only is the highway way off budget, it is also way off schedule. Completion was due by the end of 1993, and during that year Mr Wu promised to jump into Hong Kong's Victoria Harbour if the project was not completed. The harbour's waters remain unruffled by his bulky presence. Moreover, it seems that usage of the part of the road that has opened is far below projections.

Over in Bangkok, the Thai government is fuming about the late completion of Hopewell's elevated road, rail and mass transit project. Costs, according to Mr Wu, may rise to HK\$30bn - as opposed to the HK\$24.5bn originally estimated. Recently the Thai government reluctantly decided to allow Hopewell to continue with the project, despite the fact that only a tiny part of the work has been completed. Assurances have been given that the road part of the project would be finished by June 1998 and the rail system by December 1999.

As project delays mounted so did Hopewell's debt. The accounts for the year to 30 June show debts of HK\$7.1bn, producing gearing of 60 per cent. Debts are forecast to rise beyond HK\$9bn in the coming

year, yet he claims that the debt-to-asset ratio is 32 per cent. As the impact of these figures was being digested there were dark mutterings of pressure from the Hongkong Bank, Hopewell's main lender. Hopewell maintained a complete silence on this and other matters. A number of requests for interviews with Mr Wu were turned down.

However last week Mr Wu suddenly agreed to an impromptu session with the media, at which he said that because investors seemed to be so concerned about debt, he would create a debt-free company. He talked of selling off stakes in the super-highway for some HK\$40bn - and of selling a part of the Bangkok project. The basis of his valuation of these projects is tenuous to the point of incredulity. The super-highway is not expected to make money for another 10 years and it is anyone's guess when the Bangkok project will be completed.

However, selling assets is something of a Wu speciality. Every year since 1990, Hopewell has been selling off property assets to make its bottom line look better. In so doing it has been depriving itself of an important revenue-earning stream. Two years ago this started to take its toll. The last set of results, for the year to June 1995, show that a mere 21 per cent of operating profit



Gordon Wu: man of vision

was derived from its core businesses, the rest came from asset sales and treasury operation gains.

A rights issue to clear some of the debt is pretty much out of the question. More borrowings would push gearing to astronomical levels and so Mr Wu plans to sell more of the family silver. Or does he? A day after the media briefing, the board of Hopewell issued a statement which read: "The directors wish to emphasise that the consideration of the disposal is at an early stage and as such the disposal may or may not proceed."

The directors have now managed to sow confusion where there was previously doubt. The chickens may be coming home to roost for one of Hong Kong's few companies which showed real signs of global vision and innovation. The problem is that the vision was not combined with the means to execute it.

Stephen Vines

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TODAY

Companies
Profits at distribution group Christian Salvesen are expected to be flat for the third consecutive year. Profits at the half-year stage should come in at around £41.5m. The hot summer weather increased costs of running the UK refrigerated truck fleet which put pressure on margins.
In Europe there is better news with new contracts won in Holland and France. First-half profits at the food processing division are expected to be down by 30 per cent after a slump in the pea crop.
Interims: European Colour, Merrydown, Neepsend, Seaboard, Arthur Shaw.
Finals: Tinstall Group, AGMs: Allied Leisure, Azlan, Lloyds Bank, Serif, Sunset & Vine.

TOMORROW

Companies
The Budget will overshadow the rest of the day's business

news, with the markets braced for tax cuts and other boosts to consumer expenditure.
Elsewhere, Severn Trent continues the water companies reporting season with Yorkshire Water and South West to follow later in the week.
Half-year profits at Severn Trent are expected to edge up to £175m according to NatWest Securities.
Both the main water utility and waste management businesses have been performing strongly.
The market will be watching to see if the board has shifted its stance on buying back 10 per cent of the company's shares.
Finals: Eurononey, Morland, AGMs: Biocore, Hi-Tec Sports, Lucas Industries.

WEDNESDAY

Companies
The supermarket sector will be centre stage again with results from Argill, the Safeway group.
Its trading performance will be compared with recent fig-

THE WEEK AHEAD

ures from both Sainsbury and Tesco.
Analysts are forecasting a 4-5 per cent rise in pre-tax profits to around £214m at the half-way stage. Profits will be restrained by the cost of the Safeway 2000 review of the business.
At the trading level, like-for-like sales could have increased



by as much as 6 per cent, helped by a good summer.
Profits at Tate & Lyle should show healthy growth to around £302m for last year. However, analysts are forecasting a tough 1996 for the group. The latest development regarding the US Farm Bill does not look helpful.
Next year's forecasts are expected to be lowered to around £315m.
Interims: Evans of Leeds, Marston Thompson, Mid Kent Holdings, Northamber.
Finals: John Waddington, Yorkshire Water.

THURSDAY

Companies
Full-year profits at Hanson are forecast to rise from £11m to £13.5m. City attention will be focused on an expected increase in the dividend and a profits update at Quantum, the chemicals

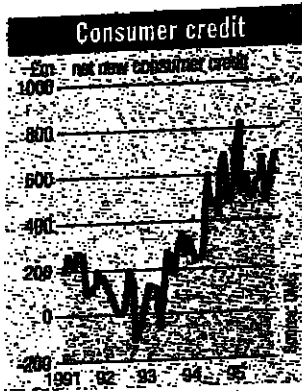
demerger of the aggregates business is another possibility.
However, the company will be under pressure to convince the market that there is still value in the current business portfolio.
Quantum Chemicals will account for the bulk of the profits increase with its contribution forecast to rise from £121m to £440m. Not debt, including the Eastern Electricity deal, should rise to around £4.5bn, giving rise of 115 per cent. This makes disposals likely.
Full-year profits at Grand Metropolitan are expected to be flat at £1.07bn though the outlook is encouraging.
Food operations helped by January's acquisition of Pet should perform strongly though the drinks division will be affected by one-off factor such as the loss of the Absolut vodka franchise.

Interims: EFB Industries, Bristol Evening Post, Bristol Biotech, Castings, European Motor Holdings, Fenchurch, GEI Intl, Hogg Robinson, Johnson Matthey.
Finals: MEPC, RM, Royal Bank of Scotland, Scottish Radio, South West Water.
AGMs: Allied London Properties, Brunel Holdings, Lonsdale, St Ives.

FRIDAY

Wolverhampton and Dudley, the Midlands brewer, is expected to increase only modest profits growth despite the good summer. Profits for the half-year are forecast to be £42.3m.
This underlines the difficulties facing the group with its tied pub estate that includes a number of outlets facing long-term decline. The Cameron acquisition is not yet making a

significant contribution to the bottom line.
Interims: Vendome, Finals: McCarthy & Stone, AGMs: Argent, Eleco Holdings, Honeysuckle, Manganese Bronze, Manchester United, Prestwick Holdings, Unigate.
Economics
Friday brings the only other significant economic news this week. The Purchasing Managers' Survey will give the latest indication of the degree of slowdown in manufacturing. The recent pattern of slower



growth and weaker price pressures is likely to be repeated. The whole world visible trade deficit is expected to have been slightly lower in September than August, but still around £1bn.
Figures from the Bank of England on consumer credit are expected to show another big increase in October. Partial figures from the British Bankers' Association have already indicated that consumer lending by the high street banks reached record levels in the month.

The Nationwide house price index for November will be released, followed at the weekend by the Halifax index.
Overseas, the US National Association of Purchasing Managers' survey will indicate whether the pace of expansion in US manufacturing is slowing.
Many analysts on Wall Street expect the Federal Reserve to reduce interest rates soon, but strong figures in the next week or two could dampen those hopes.

Bank	Share	Price	Change	Yield	Div	Code
BANKS, MERCHANT						
Barclays	100	125.00	+0.25	4.80%	6.00	BS
HSBC	100	110.00	+0.10	4.50%	5.50	HS
Midland	100	95.00	+0.15	4.20%	4.00	MD
NatWest	100	100.00	+0.20	4.60%	5.00	NW
Prudential	100	130.00	+0.30	5.00%	6.50	PR
Sainsbury	100	80.00	+0.10	3.80%	3.50	SN
Tesco	100	75.00	+0.15	3.50%	3.00	TS
Woolworth	100	60.00	+0.10	3.20%	2.50	WO
BANKS, RETAIL						
First Direct	100	115.00	+0.20	4.40%	5.00	FD
First National	100	105.00	+0.15	4.10%	4.50	FN
First State	100	90.00	+0.10	3.90%	4.00	FS
First Tower	100	85.00	+0.12	3.70%	3.80	FT
First Western	100	70.00	+0.08	3.40%	3.20	FW
First Yorkshire	100	65.00	+0.05	3.10%	2.80	FY
First Zenith	100	55.00	+0.03	2.90%	2.50	FZ
First Zebra	100	45.00	+0.02	2.70%	2.20	FZB
First Zebra	100	35.00	+0.01	2.50%	2.00	FZC
First Zebra	100	25.00	+0.01	2.30%	1.80	FZD
First Zebra	100	15.00	+0.01	2.10%	1.60	FZE
First Zebra	100	10.00	+0.01	1.90%	1.40	FZF
First Zebra	100	5.00	+0.01	1.70%	1.20	FZG
First Zebra	100	2.00	+0.01	1.50%	1.00	FZH
First Zebra	100	1.00	+0.01	1.30%	0.80	FZI
First Zebra	100	0.50	+0.01	1.10%	0.60	FZJ
First Zebra	100	0.25	+0.01	0.90%	0.40	FZK
First Zebra	100	0.10	+0.01	0.70%	0.20	FZL
First Zebra	100	0.05	+0.01	0.50%	0.10	FZM
First Zebra	100	0.02	+0.01	0.30%	0.05	FZN
First Zebra	100	0.01	+0.01	0.10%	0.01	FZO
First Zebra	100	0.00	+0.01	0.00%	0.00	FZP
First Zebra	100	0.00	+0.01	0.00%	0.00	FZQ
First Zebra	100	0.00	+0.01	0.00%	0.00	FZR
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First Zebra	100	0.00	+0.01	0.00%	0.00	FZS
First Zebra	100	0.00	+0.01	0.00%	0.00	FZT
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First Zebra	100	0.00	+0.01	0.00%	0.00	FZV
First Zebra	100	0.00	+0.01	0.00%	0.00	FZW
First Zebra	100	0.00	+0.01	0.00%	0.00	FZX
First Zebra	100	0.00	+0.01	0.00%	0.00	FZY
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RACING: Abundant celebrations follow a Hennessy triumph marred by favourite's withdrawal

Better improves Brooks' ranking

Along with the crushed receptacles and shredded tickets there was the debris of a broken image for workmen to shovel up at Newbury on Saturday.

The Hennessy Gold Cup had gone to Coultin Be Better, a horse trained by Charlie Brooks, who is probably too much for some of the old school. In a sport where the upper echelons are almost exclusively in tweeds and ringing with public school accents, Brooks has the right background. He wears the gear and has snaps of his days at Eton in the album.

However, when it comes to aristocratic reserve, it is hard to get Charlie's reading off zero. He may have been born with a silver spoon in his mouth, but he is one of those few privileged chaps who would not mind shoving a hot dog in there as well.



RICHARD EDMONDSON COMMENTARY

turbed after the events of the weekend (the Uplands yard also captured the Fighting Fifth Hurdle at Newcastle with Padre Mio), though Brooks himself is not in dancing mood immediately after the Hennessy. The trainer had been under a general anaesthetic for a knee operation on Thursday and, judging from his sombre reaction, it appeared there was still drowsiness in his body. He felt slightly empty because he had

RICHARD EDMONDSON
NAP: Retikowen
(Worcester 12.50)
NB: Tallywagger
(Kelso 2.00)

When he wins it becomes plain obvious (he does not confine his celebration to just among owners) and when he comes into view his presence also becomes plain obvious. Saturday's deviation from the traditional garb of the brotherhood was his favourite long, canary gabardine.

In addition, his presence on the news pages (his relationship with Miriam Francome gets the society backs in a latter of excitement) probably led many to believe he did not have the qualities for the job. Like Lantieri Dettori before him, the jealous considered he was having too much damned fun to be a true professional. As with Dettori, they will have to reconsider. Saturday should finally leave in rubble the thought that Charlie Brooks is something of a dilettante.

This trainer, beneath the smiles and countenance which suggests he is something less than his 33 years, is desperately competitive. He once told this reporter that the day he thinks he cannot keep at the highest level will be the day he ruminates in the desk for the P45.

The paperwork can lay undis-

insisted that Graham Bradley, his riding lieutenant, should partner the stable's other runner in the big race, Black Humour. "I feel a bit guilty because I made Brad ride Black Humour," Brooks said. "The first thing he did when he came back was congratulate me. He's a first class bloke. He seemed more pleased than I did."

Bradley was also praised by winning rider Dean Gallagher, the beneficiary of wise words on how to ride Coultin Be Better. The wisdom, and indeed clarity, of their conversation was far more contentious on Saturday evening after the pair had joined a large party at the Queen's Arms in Lambourn.

The Hennessy had also been a big moment for Gallagher. At 26, the man from Co Kildare is not a buzz jockey in betting shops, but Brooks said: "He

might be underestimated by the racing public but he isn't by the racing professionals."

When it came to Gallagher's own assessment of his performance, someone had hidden the trumpet. "I just had to keep the horse balanced, get him jumping and make sure he got the trip," the jockey said. "He could have won with 12st on his back. I've ridden Dubacilla into second place in a Gold Cup, so I know what it takes to win it. He's in that class."

The bookmakers have yet to be convinced however and Ladbrokes (not known as purveyors of unnecessary kindness) have Coultin Be Better at 25-1 for Cheltenham next March. What is undisputed, though, is that the gelding's display saved a race that became dangerously adjacent to an anti-climax after One Man's late withdrawal. For a while the crowd's mood was as black as the sky.

Ante-post bets were lost on the grey (perhaps this explained Ladbrokes's munificence later on) when Gordon Richards announced the short-priced favourite would not be risked on ground which had turned from powder to flakes to the consistency after milk has been added.

One Man will get another chance to advertise his Gold Cup prospects, a feat accomplished at Puchestown on Saturday by Merry Gale. Coral saw the gelding's performance (he did little more than have to stay alive after the early departure of Klairon Davis) as reason to cut his price to 7-1 for Cheltenham. Before then the gelding may reward Bradley elsewhere, as he was yesterday named as the horse's partner for the King George VI Chase at Kempton on Boxing Day.

This weekend's series of events must also have cheered Richard Dunwoody, who stuck with Merry Gale despite being offered the ride on One Man. If the wind seemed to be whistling westwards off Newbury on Saturday, it may have been caused by the champion jockey's sigh of relief.



Heads together: Dean Gallagher in a victory pose with Coultin Be Better after their Hennessy Gold Cup triumph at Newbury on Saturday. Photograph: Robert Hallam

Gallagher executes a tall order

Grain's career in balance

The way Charlie Brooks planned it, Dean Gallagher would tuck Coultin Be Better in behind the pace until there was only one more move to negotiate. "In these conditions it was vital to delay the commitment," he said.



KEN JONES on Monday

Gallagher obeyed the trainer exactly. Coming past the stands first time around he was comfortably in touch, more or less where Brooks wanted him. The leader, Rough Quest, was jumping so well it may have occurred to Gallagher that a decisive move was called for but he resisted the temptation.

After they turned into the straight Rough Quest's jockey, Jamie Osborne, probably sensed that he no longer held a winning advantage in the Hennessy Gold Cup. It had been a hard slog over three-and-a-quarter miles in driving rain and Coultin Be Better was suddenly upped and moving urgently. "When he soared over

the second-last, I knew there was still plenty under me, and after the last he powered away," Gallagher said.

In a sudden winner's enclosure you could reflect on the vagaries of racing. Even before One Man, the favourite, was withdrawn on the advice of his trainer, Gordon Richards, just 45 minutes before the race, Brooks believed in Coultin Be

Better but he could not set aside persistent doubts about the gelding's stamina and the challenge of his other entry, Black Humour.

This resulted in a big disappointment for Graham Bradley, the stable jockey, who was sent out on Black Humour but in common with the breed he was philosophical when splashing by to the weighing room. "What a bollocks," Bradley said with a smile on his mud-spattered face.

It was hardly that for the 26-year-old Gallagher who had the best day of his life in the saddle after some disappointments in his own, most obviously in the Gold Cup at Cheltenham last year when he finished second on Dubacilla. "I kept telling myself not to dream about this," he said, "but that's what this game is all about."

After hours of driving rain that fell over a bleak winter landscape, Newbury was be-

ginning to resemble a swamp but you could imagine that Gallagher barely noticed. He stood beaming in the drizzle, happily answering all that was put to him.

Something similar can be said about Brooks who was still feeling pain from a knee operation. "It doesn't feel so sore right now," he said, turned out in a yellow oilskin, a cap pulled low down over his hairline. No-body could be sure that Brooks had been fully instrumental in the choice of mounts for Bradley but he claimed responsibility. "I wanted to give both horses the best possible chance," he said, "and thought Brad would get the best out of Black Humour."

When conditions grew steadily worse, the downpour unrelenting, Brooks may have thought less of Coultin Be Better's chances which was a view expressed generally about One Man's connections on the

announcement of his defection.

In view of difficulties imposed by a change in the going a substantial case could be made for not risking the favourite, but as one disgruntled punter put it, racing is kept alive by the audience. "I don't think I would have come out on a day like this if I'd thought One Man might not be going," he said.

Gordon Richards felt justified in giving priority to One Man's welfare and long-term prospects first but this did not make him popular around the betting windows. "This is not just any old handicap," somebody else said. "It's one of the big races, so once again the punters suffer."

Gallagher was oblivious to the controversy and how things might have turned out with One Man and Young Hustler, who was also withdrawn, in the field. He'd got the ride and things had gone swimmingly.

Pure Grain may never race again after suffering a fracture to her off hind in the Japan Cup yesterday. The Newmarket-trained filly finished 10th, a long way behind the winner, Lando. Michael Stoute, Pure Grain's trainer, said: "She was travelling very well for John Reid and looked to have every chance round the turn. But she came off the bridle and that was it."

Lando, ridden by Michael Roberts and trained by Heinz Jentzsch, took a first prize worth £1.1m. He was the first German horse to win the Japan Cup since it began in 1981. The winner's odds were 13.5 to 1. Japan's Hishi Amazon finished second, followed by the French-trained Hernandez. A record crowd of 180,760 watched the race.

WORCESTER

HYPERION
12.50 Retikowen
1.20 Santa Boy
2.50 Amiable Harvest
2.20 Bear Claw

Worcester in the last seven days: None.
LONG-DISTANCE BETTING: Amiable Harvest (1.50), 5. Hanging Pattern (2.00) have been sent 31 miles by J.J. O'Neill from Shelton Wood, Cambs.

12.50 RUSHOCK MARES ONLY NOVICE HURDLE (CLASS E) £2,800 added 2m Penalty Value £2,863

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FOOTBALL: Liverpool's failure to score goals despite a talented attack may be an insuperable handicap in their pursuit of honours

Evans struggles with Collymore quandary

Various phrases became associated with Liverpool in the years of plenty. Among them were the dictum "the secret of success is to win when playing badly", and the complaint "if we lose two matches on the trot everyone calls it a crisis".

Recently the first maxim has been reversed. Liverpool are losing when playing well. In each of the last five matches they have played well, if not for the whole match. At Middlesbrough on Saturday they were terrible in the first half, but excellent in the second. They lost 2-1. In the last five games they have taken one Premiership point from 12 and gone out of Europe. For once, talk of a crisis is accurate.

It is not that Liverpool are going to get relegated. The situation is not that critical. But, with Newcastle, the other pre-season favourites, 14 points ahead and disappearing over the Premiership horizon, neither are they likely to win the title.

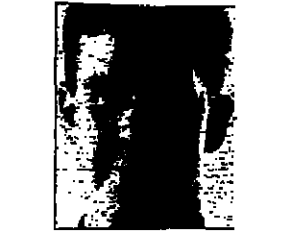
The reason is not difficult to fathom. While the defence can be shaky, a team with the best young goalscorer, the best veteran goalscorer, and the most expensive goalscorer in the country is not scoring goals. In those last five games they have managed three.

Ian Rush is partially exonerated. He is injured and has missed the last three games. Although he managed only four goals beforehand he did prove a good partner for Robbie Fowler. Fowler himself is partially excused: he has scored 13 goals this season. Stan Collymore? Guilty as charged.

Collymore has scored twice this season, most recently on 16 September, a poor return even given his irregular appearances. He never looked like scoring on Saturday.

This is not entirely his fault. As Collymore contentiously suggested earlier this month, Liverpool do not seem to have given any thought to how he was to fit into their system.

Collymore likes space and possession. At Nottingham Forest most attacks were directed to, or through him. They were primarily counter-attacks, which gave him room to run at defences. Liverpool move forward like a royal procession, graceful, but hardly urgent. Collymore is thus starved of possession, then given it when he



GLENN MOORE

COMMENTARY

is cramped for space and his relatively poor first touch is exposed.

However, the player himself does not help matters. Liverpool expect their players to work hard for the team. For forwards this does not just involve running off the ball. Rush has been harrying defenders for 15 years. When Fowler first came into the team Rush's work-rate made the youngster appear a lazy goalhanger.

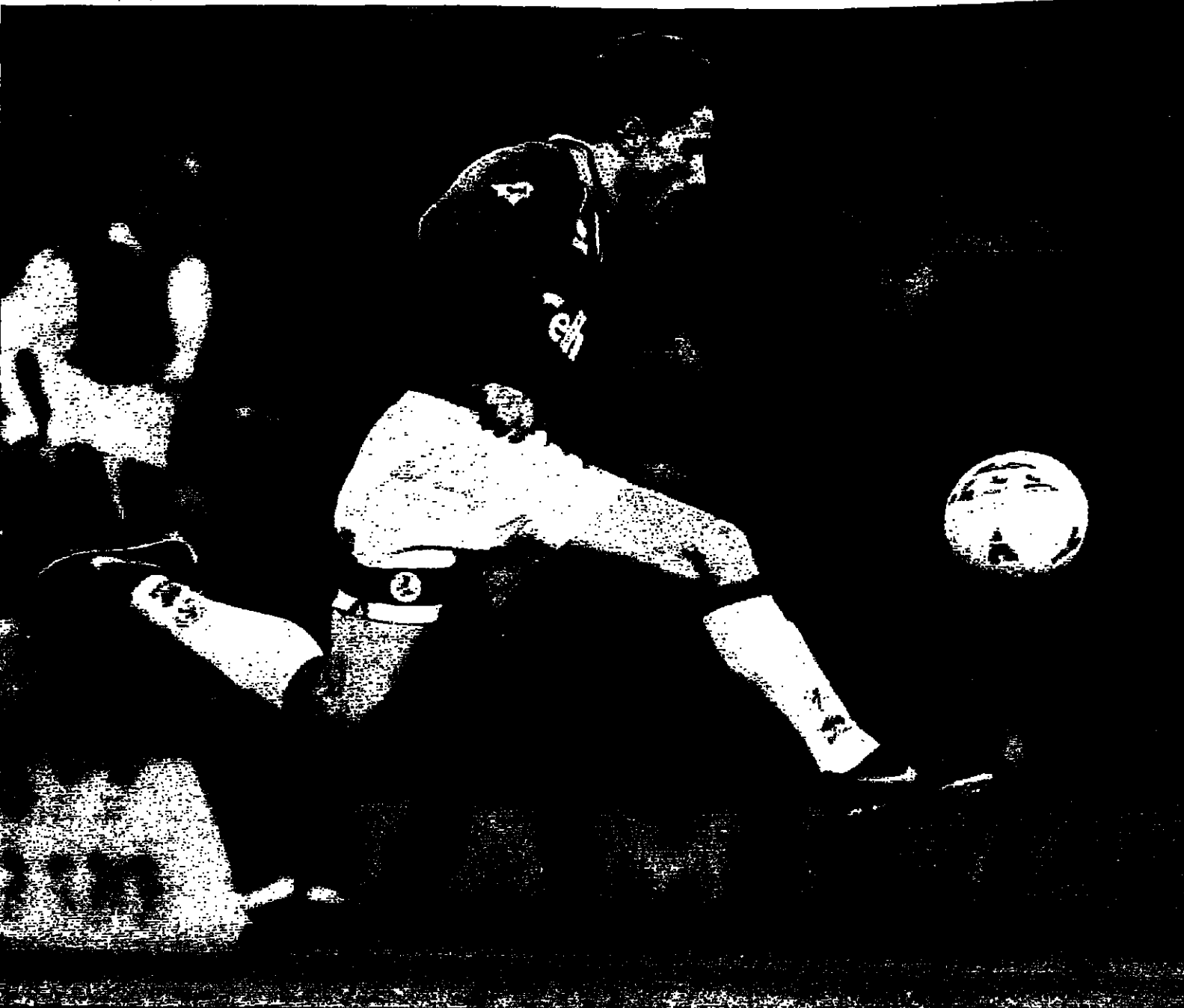
No longer. His changed attitude was encapsulated in one incident on Saturday after Juninho had broken down the right wing. Three Liverpool players surrounded the Brazilian before one took the ball off him near the byline. The tackler was Fowler.

Collymore also likes to wander, but Liverpool already have one loose cannon in Steve McManaman. He, at least, has learned to look for the pass while heading for goal.

Which leaves Roy Evans looking like the man who has discovered his bold new Ikea sofa does not match his pretty-pattern Laura Ashley fittings. Does the Liverpool manager try to blend the two, or cut his losses? Players have been sold within months of purchase before, especially strikers. Remember Clive Allen at Arsenal?

One suspects Evans will try to integrate Collymore. Players of his quality are rarely available. But as a person Collymore appears to react better to security than having to fight for his place. That, however, is what he is likely to have to do for some time.

Middlesbrough's new signings, Nick Barmby and Juninho, have gelled better, although the Brazilian is still settling in. Before the game he said his teammates were learning to pass to his feet. That was not always apparent and it was infuriating to see him constantly run towards a player, arms out, beseeching



Brazilian ballet: Juninho displays mesmerising mid-air ball control in one of Middlesbrough's many attacks

the pass, only for his team-mate to hit the ball over his head towards Jan-Age Fjortoft.

However, Juninho received more than enough of the ball in the first half for Liverpool's liking. They were tormented by his interchanging with the effervescent Barmby and should have been finished by the interval. "No one has opened up like that this season," Evans said.

Yet Middlesbrough scored only once before half-time, after 90 seconds. Juninho's jinking and Fjortoft's optimistic deflected shot created an opening for Barmby. He drew David James then coolly pulled the ball back for Neil Cox. James then kept Liverpool in contention, aided by Dermot Gallagher's leniency. The referee allowed Phil Babb to remain on the field after he had crudely clattered into Juninho after 36 minutes.

Gallagher evened things up 11 minutes after the break when Gary Walsh handled outside the box as Liverpool took over the game. Both players could, indeed should, have gone under present interpretations of the rules. While Gallagher's reprieves smacked of common sense, they also illustrated the inconsistency managers bemoan.

Liverpool did equalise, 16 minutes later. Neil Ruddock heading in Jason McAteer's cross. But, within a minute, Barmby had volleyed in Cox's cross.

Liverpool, with McAteer driving them forward, then besieged Boro in vain. McManaman scored a clear chance but, that apart, Boro held firm, with Nigel Pearson outstanding in an impressive back three. It was not hard to see why they have the best defensive record in the Premiership.

Liverpool, who looked understandably short of confidence in the first half, now meet Newcastle in the Coca-Cola Cup on Wednesday. A third successive home defeat, after Brondby and Everton, and they will have only the FA Cup to chase from a season that promised so much.

Goals: 1-0 Cox (27); 1-1 Ruddock (72); 2-1 Barmby (73).

Middlesbrough (3-5-2): Walsh; Pearson, Vickers, Liddle; Cox, Stamp, Pollock, Juninho, Morris, Barmby, Fjortoft. Substitutes not used: Hendrie, Moore, Moreno.

Liverpool (3-5-2): James; Wright, Ruddock, Babb, Jones (Thomas, 77), McManaman, McManaman, Barnes, Harte, Fowler, Collymore. Substitutes not used: Warner, Harnedy. Referee: D. Gallagher (Barnbury).

Ferguson waiting in the wings to exploit attacking options

DAVE HADFIELD

Everton	2
Sheffield Wednesday	2

If Duncan Ferguson had leapt from his seat in the dug-out during the second half and given the roof of that structure a good, solid head-butt, he would have had a defence which, at worst, should have brought him a suspended sentence.

On top of paying his debt to society, Ferguson, on his first full day outside Barlinnie, had to endure the sight of countless situations that he would have been ideally qualified to exploit.

As it was, an endless stream of crosses and corners from Anders Limpar and Andy Hinchcliffe went unappreciated. With Paul Rideout injured - in, ironically, a clash of heads - Everton lacked the physical presence in the penalty area that would have brought them a winner.

To make matters worse, Wednesday had taken a two-

goal lead with Mark Bright headers from inviting crosses. Ferguson must have been squirming on his bench; there must surely be an EC directive on such cruel and unusual punishment.

The Everton manager, Joe Royle, is still wary and defensive on the subject of his headstrong prodigal, especially when the query comes in a Scottish accent. "I don't talk to the Scottish press," he told one questioner with glibness and vowel sounds. "Don't you think you've done enough to him?"

He was willing to concede, however, that the prospect of Ferguson feeding off the sort of attack across the full width of the field that Everton are now capable of unleashing is a mouthwatering one.

On Saturday, the decisive work was done by a winger whose strong suit is not his crossing but his ability to outrun the defence and find the angle for the shot or the telling pass. Andrei Kanchelskis halved

Wednesday's lead in first-half injury time and it was his pass to Daniel Amokachi that produced the equaliser.

Kanchelskis gave Sheffield an awkward time from start to finish, although they were never acquiescent victims. At almost 34, the debutant Steve Nicol looked thoroughly at home both back on Merseyside and back in the Premiership.

"Five million pounds and worth every penny," enthused David Pleat over his free transfer signing from Notts County. "He could sit in an armchair and play, because he's got a brain," he said.

"Sometimes in English football, you need more brain and less athleticism."

Goals: Bright (2) 0-1; Bright (36) 0-2; Kanchelskis (45) 1-2; Amokachi (54) 2-2.

Everton (4-4-2): Southall; Jackson, Watson, Lindegaard, Hinchcliffe; Farnham, Barmby, Limpar, Rideout (Amokachi 18), Stuart. Substitutes not used: Hume, Pearson (10).

Sheffield Wednesday (5-5-1): Pressman; Nolan, Adeniran, Nicol, Walker, Briscoe (Williams 62, Duggan 72); Waddie, Hyde, Wright. Substitutes not used: Woods (94).

Referee: M. Bodenham (East Loos).

Stubbs to see specialist over ankle

Alan Stubbs is to see another specialist today about the ankle trouble which has forced the Bolton defender to miss the last three games.

Roy McFarland, the Bolton manager, had hoped that Stubbs would be fit to play at Southampton on Saturday, but reported that the ankle was still swollen and sore.

"The tissue around the Achilles has settled down quite well but the soreness is a bit of a worry," McFarland said.

Better news for Manchester United, whose midfielder Roy Keane is swimming in his way back to fitness and on target for a return in the Republic of Ireland's European Championship play-off game with the Netherlands at Anfield on 13 December.

Keane is on a hydrotherapy course to build up his strength after his second hernia operation this year and is optimistic of being fit for the play-off. He expects to resume full training within a fortnight.

Deadlock in derby mirrors the Chelsea boardroom

ADAM SZRETER

Chelsea	0
Tottenham Hotspur	0

If the second half of this game is anything to go by, then clearly clubs playing for the third time in eight days ought to be considering having the admission fee.

Then again, Chelsea provided so much entertainment off the field last week that perhaps they felt justified in taking every penny.

Given that this was a local derby, where avoiding defeat is paramount, the majority of the 31,059 inside Stamford Bridge were probably not heartbroken by the result or the performance. But to the neutral, the rubbish that was put out after half-time reeked with negativity.

Both sides had chances in the first period, the best of them falling to Chelsea's Eddie Newton after 10 minutes, but having been put clean through by Dennis Wise he shot against the

bar when he should have done better.

Spurs stirred themselves and Chelsea had Dmitri Kharin to thank for three fine saves, first diving at the feet of Ronny Rosenthal and then, at full stretch, denying Chris Armstrong twice. All the openings were created by Ruel Fox's right-wing running, and at half-time a goal seemed imminent.

The second half began with the farcical sight of Newton and his team-mate Dan Petrescu frantically trying to barge through the crowd of stewards, ball-boys and other hangers-on as the referee, Steve Lodge, clearly with a train back to Barnsley to catch, was blowing his whistle to re-start the game.

Nothing whatsoever happened for the next 25 minutes, until Chelsea won a corner. Their centre-half, David Lee, took it and promptly booted it straight out. Tottenham then won a corner and Fox did the decent thing by passing it straight to Petrescu.

With 17 minutes to go Chelsea replaced a tired looking Nigel Spackman with a tired-looking Craig Burley, while their Scottish international striker John Spencer remained on the bench. "The bottom line is that if we'd been 1-0 down instead of 0-0 then I think it would have been a different substitution," Chelsea's manager, Glenn Hoddle, revealed later.

Petrescu and Teddy Sheringham wasted half-chances at either end and the ponderous Paul Furlong actually put the ball in the net two minutes from time, but he was penalised for a foul on Jason Dozzell. By that stage, though, a goal for either side would have been an injustice, and for Chelsea at least there was the satisfaction of tedious deadlock on the field mirroring the tedious deadlock in the boardroom.

Chelsea (3-5-2): Kharin; Duggan, Lee, Johnson, Petrescu, Wise, Spackman (Burley, 73), Newton. Substitutes not used: Rosenthal, Spencer, Hinchcliffe (15).

Tottenham (3-5-2): Walker; Austin, Callaghan, McManis, Campbell (Fox, Dozzell, Hovind, Rosen). Substitutes not used: Gordon (10), Day (91).

Referee: S. Lodge (Barnsley).

Foreigners who will pay to play for English clubs

It's official - English football is now so fashionable that foreigners are willing to pay to play here.

Grimby's sensation Ivaron Bonetti, the Marina's match-winning, says he'll stump up half his £100,000 transfer fee to stay at Blundell Park.

And now Portuguese triathlete Antonio Pacheco, told he is not fit enough for the Premiership by Nottingham Forest, is paying his own expenses rather than go

home to Lisbon. His hotel bills alone are nearly £500 a week.

"I'm told I'm not fit enough to play the English way but I know I'm good enough for Forest," the 28-year-old former international said. "I want to know what is the English way and I will stay until I find out, whatever the expense."

After the Lars Bohinen affair, Forest are wary of entering into unusual arrangements with overseas players - but these are terms with which they are only too happy to comply.

his job, had their fingers painfully singed, giving 10-1 Aston and 16-1 Ardlies. Had you bet on George Graham not testing the season you could have had 33-1.

So who were the non-hoppers this season, then? At even money, Bolton's Roy McFarland looks to have been a reasonable selection as favourite but 5-4 Gary Francis is looking a bit silly...although not as puzzling, perhaps, as 5-2 Alan Ball. Considering that Frank Clark and Bryan Robson were only 3-1, that displayed great faith in Francis Lee's patience.

That was the weekend that was

Against all Cup odds

With one round left before the big games come into view, a dozen non-League sides attempt to survive the second round of the FA Cup next Saturday, compared with eight last season, half of whom made it to round three.

So which minnows, if any, need the giants fear? The Ladbrokes book on who will actually win the Cup reveals some clues.

The interesting one is 3,000-1 Telford United, whose GM Vauxhall Conference form - one win in seven - ought not to worry the Second Division promotion hopefuls Notts County. But then again, 11 League scalps have fallen to the Shropshire shock specialists and, as their captain, Marcus Bignot, says: "County will be really confident - and that might just work in our favour."

Red card

ASTON VILLA FANS

...at least those among them who lacked the decency to stay quiet while the 72-year-old Bert Trautmann, the former Manchester City goalkeeper, struggling in any case with a dodgy microphone, opened City's new £11m Kippax Stand before Saturday's game at Maine Road.

PREMIER XI

KEVIN KEENE	CHelsea
ADAM SZRETER	Chelsea
ADAM SZRETER	Tottenham Hotspur
ADAM SZRETER	Tottenham Hotspur
ADAM SZRETER	Tottenham Hotspur
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Dutch sleeping on the job

On form there can be only one winner when Ireland meet the Netherlands to decide the last qualifier for next summer's Euro 96. Next month's Anfield play-off will be their fourth major showdown in seven years and the Dutch have yet to encounter failure.

But there may be grounds for optimism for Big Jack - apparently the Netherlands' eight-strong Ajax contingent are being worn out by a schedule of high-profile games.

Fatigue is becoming a problem for the European Cup holders, whose internationals have played more than 25 games in the last 12 weeks. "Some of us are getting very tired," midfielder Ronald de Boer admitted. "The spirit is still high but during a recent photo shoot for a magazine, one of our players fell asleep!"

Take a bow

JIM STANNARD

...the 33-year-old former Fulham goalkeeper, whose clean sheet against his old club on Saturday was his 12th in 18 League games for Gillingham, behind the defence with the best current record in the four English divisions.

Rumours

Fact and fiction from the Sunday papers

Having pulled off the transfer coup of last season when they signed Andy Cole, Manchester United are planning another swoop for the News of the World. New target, they say, is Belgian defender Philippe Albert, seen as a successor to United captain Steve Bruce. Despite a cut following on Tyne, Albert has been unable to regain favour with Kevin Keegan after his long-term injury.

The same paper claims Leicester City are bracing themselves for a bitter battle with Wolves over Mark McGhee, on the shortlist to

It may have escaped your notice but here we are in the last days of November and not one Premiership manager has been sacked. Have the chairmen all gone soft? By this time last year, five had gone - Ossie Ardiles, Mike Walker and Ron Atkinson shown the door, Gary Francis and Brian Little tendering their resignations.

William Hill, offering pre-season odds about who would NOT keep

93 the number of days since Hull City, bottom of Division Two, last won in the League

14 the number of League goals that Ham's Tony Doherty has scored against Queens' Park Rangers. The favourite opponents

8 the number of substitutes used this season by Middlesbrough, whose starting line-up on the last night in England

Also in the People, Leeds are supposedly planning to relieve Manchester United of out-of-favour Lee Sharpe, while Sheffield Wednesday are taking a keen interest in Crystal Palace's £4m-rated defender Chris Coleman.

Training Dutch style: The Ajax players, Kiki Musampa and Edgar Daniels, go through unusual motions as the European Cup holders prepare for tomorrow's World Club Championship match in Tokyo - the Toyota Cup - against the Brazilian Grêmio. South American clubs have won the competition 20 times while European clubs have prevailed on 13 occasions.

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Monday 27 November 1995 Registered as a newspaper with the Post Office